

**Board Report**

File #: 2018-0289, **File Type:** Contract**Agenda Number:** 30.

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
JULY 19, 2018****SUBJECT: SYNTHETIC TRANSMISSION OIL****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, firm fixed unit rate Contract No. MA51203000 to Jamison Professional Services, the lowest responsive and responsible bidder for Synthetic Transmission Oil. The Contract first year base amount is \$748,348, inclusive of sales tax, and the second year contract amount is \$748,349, inclusive of sales tax, for a total contract value of \$1,496,697, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of synthetic transmission oil which is required for maintaining the safe and reliable operation of the bus fleet. Award of contract will ensure that operating divisions and Central Maintenance Shops have adequate inventory to maintain the buses according to Metro maintenance standards.

DISCUSSION

The transmission oil is needed to lubricate internal components for the bus transmissions and serve as a coolant for better resistance to thermal breakdown. Synthetic fluids optimize transmission performance and provide resistance to heat, cold, oxidation and friction. Scheduled replacement of the transmission oil is in accordance with the manufacturer's recommended intervals and is part of Metro's preventative maintenance program to ensure the performance and longevity of the bus fleet.

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 synthetic transmission oil that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The second year of the Contract is defined as an Option that allows Metro to assess oil commodity market prices before making a commitment to the second year of transmission oil delivery services.

Synthetic oil will be purchased, maintained in inventory and managed by Material Management. As the synthetic oil is issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Funding of \$748,348 is included in the FY19 budget under project 306002 Operations Maintenance under line 50406, Lubricant-Revenue Equipment in multiple Cost Centers.

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

Impact to Budget

Funding for this Contract will come from Federal, State and local sources including sales tax and fares that are eligible for Bus and Rail Operating Projects. These funding sources maximize allowable fund use given approved provisions and guidelines.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and continue to procure synthetic oils 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

Upon Board approval, staff will execute Contract No. MA51203000 to Jamison Professional Services for Synthetic Transmission Oil. Metro's requirements for synthetic transmission oil will be fulfilled under the provisions of the Contract.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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James T. Gallagher, Chief Operations Officer (213) 418-3108



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

SYNTHETIC TRANSMISSION OIL / MA51203000

| | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 1. | Contract Number: MA51203000 | |
| 2. | Recommended Vendor: Jamison Professional Service | |
| 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: 2/13/18 | |
| | B. Advertised/Publicized: 2/13/18 | |
| | C. Pre-proposal/Pre-Bid Conference: N/A | |
| | D. Proposals/Bids Due: 3/22/18 | |
| | E. Pre-Qualification Completed: 5/2/18 | |
| | F. Conflict of Interest Form Submitted to Ethics: 5/2/18 | |
| | G. Protest Period End Date: 5/22/18 | |
| 5. | Solicitations Picked up/Downloaded: 6 | Bids/Proposals Received: 4 |
| 6. | Contract Administrator: Tanya Allen | Telephone Number: 213/922-1018 |
| 7. | Project Manager: Alex DiNuzzo | Telephone Number: 213/922-5860 |

A. Procurement Background

This Board Action is to approve Contract No. MA51203000 for transmission synthetic oil. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. MA51203 was issued in accordance with Metro's Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

No amendment was issued during the solicitation phase of this IFB

IFB No. MA51203 was released on February 13, 2018, as a competitive procurement open only to Metro certified small businesses. To participate in this IFB, bidders must be a Metro Small Business Enterprise (SBE) certified with Metro prior to the bid due date.

A total of four bids were received on March 22, 2018. Of the four bids received, three of the bids were from Metro certified SBEs. Patten Energy, Inc is not a certified SBE; hence, its bid was deemed non-responsive and could not be considered for award.

B. Evaluation of Bids

This procurement was conducted in accordance, and complies with LACMTA's Acquisition Policy for a competitive sealed bid. There were three bids that were determined to have met the SBE requirements for solicitation participation. However, Goldman and Associates did not provide a bid for the second year of the statement of work requirements and was also deemed non-responsive. The bids from Jamison Professional Services and Rely Supply LLC were deemed fully responsive and responsible to all of the IFB requirements. All firms that submitted a bid are listed in alphabetical order:

1. Goldman and Associates
2. Jamison Professional Services
3. Patten Energy Inc.
4. Rely Supply LLC

C. Price Analysis

The recommended bid price from Jamison Professional Services has been determined to be fair and reasonable based upon adequate price competition and current market value of the oil commodity industry. The table below reflects the pricing for the two bidders that were determined to be fully responsive and responsible to the IFB.

| Line Item No. | Low Bidder Name | Bid Amount | Metro ICE |
|---------------|---------------------------|-------------|--------------|
| 1. | Jamison Professional Svc. | \$1,496,697 | \$966,109.00 |
| 2. | Rely Supply, LLC | \$1,751,369 | |

D. Background on Recommended Contractor

The recommended firm, Jamison Professional Services has been in business for four years, and is a leader in oil, bus component parts and other related parts. Jamison Professional Services has provided synthetic transmission oil to MV Transpiration Inc, Denver RTD, First Transit, Inc. and Transdev Transit, Inc. Denver CO. In the past, Jamison Professional Services has provided satisfactory products and services to Metro.

DEOD SUMMARY

SYNTHETIC TRANSMISSION OIL / MA51203000

A. Small Business Participation

Pursuant to 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 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**.

Jamison Professional Services, an SBE Prime, is performing 40% of the work with its own workforce and made a total SBE commitment of 40%. The prime also listed one (1) non-SBE firm, SC Fuels as a subcontractor on this project.

SMALL BUSINESS PRIME (SET-ASIDE)

| | SBE Contractors | SBE % Committed |
|--|---------------------------------------|------------------------|
| | Jamison Professional Services (Prime) | 40% |
| | Total Commitment | 40% |

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 wage is not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

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