



## Board Report

File #: 2021-0744, File Type: Contract

Agenda Number: 16.

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JANUARY 20, 2022

**SUBJECT: DIFFERENTIAL ASSEMBLY**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, firm fixed price Contract No. MA77508000 to The Aftermarket Parts Company LLC, the lowest responsive and responsible bidder for Differential Assembly. The Contract one-year base amount is for \$1,056,098 inclusive of sales tax, and the one-year option amount is \$1,087,782, inclusive of sales tax, for a total contract amount of \$2,143,880, subject to resolution of protest(s), if any.

#### **ISSUE**

The Bus Maintenance Midlife program refurbishes buses at the mid-point of the bus life, including major mechanical and electrical system replacements and interior and exterior refurbishment. During the Bus Midlife, the existing differential assemblies are removed, inspected, serviced, and/or replaced as needed with a new assembly during the bus overhaul. Bus operating divisions also replace differential assemblies as needed on buses.

This procurement is required to ensure differential assemblies are available for buses to continue revenue service without delays.

#### **BACKGROUND**

The differential assembly is an essential component for a bus and transfers power from the power train of the engine and transmission to the wheels of the bus. It is an essential component to the Bus Midlife program and day to day operation at the bus divisions. Many are inspected, serviced and reused during the bus overhaul, but some require replacement due to wear and tear. The service consists of draining the differential oil, replacing a filter in the differential housing and inspecting the differential gears. When removing and inspecting the differential, broken gear teeth are commonly found due to the stress load on the gears.

#### **DISCUSSION**

The bus differential is a part of the rear axle assembly that contains a set of gears that take the rotation of the driveshaft from the engine through the transmission and transfers the energy through the axles to the tires to drive the bus in either forward or reverse motion. Essentially, the differential gears transfer all the power/torque from the engine and transmission to the axle and wheels to propel the bus.

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 specific quantity of the differential assemblies that may currently be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

The differential assemblies will be purchased and maintained in inventory and managed by Material Management. As the differential assemblies are issued, the appropriate budget project numbers and accounts will be charged.

### **DETERMINATION OF SAFETY IMPACT**

Award of contract will ensure that the Central Maintenance Shops and all operating divisions have adequate inventory to maintain the bus fleet according to Metro Maintenance standards.

### **FINANCIAL IMPACT**

The funding of \$1,056,098 for these differential assemblies is included in the FY22 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 203036 Bus Midlife Project and line item 50441, Parts - Revenue Vehicle.

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 including any option exercised.

### **Impact to Budget**

The current source of funding for this action are Federal, State, and Local including sales tax and fares. These sources are eligible for Bus Operating or Capital projects. Use of these funding sources maximizes established funding provisions and guidelines.

### **EQUITY PLATFORM**

The benefits of this action are to ensure that the bus fleet that serves most regions in Los Angeles County, including many underserved communities is able to provide vital transportation services to neighborhoods where disparities within the region can exist between residents' access to jobs, housing, education, health, and safety. Bus transportation provides an important lifeline for the residents in underserved communities, and the midlife program ensures the proper State of Good Repair of the bus fleet to provide transportation for these underserved communities.

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The Diversity and Economic Opportunity Department (DEOD) established a two percent (2%) DBE goal, which is standard for transportation delivery procurements. The commitment by the successful bidder has been verified.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The procurement of differential assemblies supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new differential assemblies will maintain the reliability of the bus fleet and ensure that our customers are able to arrive at their destinations without interruption and in accordance with the scheduled service intervals for Metro bus operations.

### **ALTERNATIVES CONSIDERED**

The alternative is not to award the contract and procure the differentials on an as-needed basis, using the traditional “min/max” replenishment system method. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure the availability, timely delivery, continued supply and a guaranteed fixed price for the parts.

### **NEXT STEPS**

Upon approval by the Board, staff will execute Contract No. MA77508000 for the procurement of Differential Assembly with Aftermarket Parts Company, LLC at the one-year base amount of \$1,056,098 and the one-year option amount of \$1,087,782 for a total contract amount of \$2,143,880.

### **ATTACHMENTS**

Attachment A - Procurement Summary

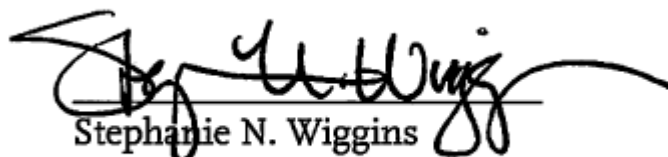
Attachment B - DEOD Summary

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Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

## DIFFERENTIAL ASSEMBLY/MA77508000

1.	<b>Contract Number:</b> MA77508000	
2.	<b>Recommended Vendor:</b> The Aftermarket Parts Company LLC, 3229 Sawmill Parkway, Delaware, OH 43015	
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> 8/23/21	
	<b>B. Advertised/Publicized:</b> 8/23/21	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> N/A	
	<b>D. Proposals/Bids Due:</b> 9/30/21	
	<b>E. Pre-Qualification Completed:</b> 10/19/21	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 10/21/21	
	<b>G. Protest Period End Date:</b> 1/24/22	
5.	<b>Solicitations Picked up/Downloaded:</b> 12	<b>Bids/Proposals Received:</b> 1
6.	<b>Contract Administrator:</b> Tanya Allen	<b>Telephone Number:</b> (213) 922-1018
7.	<b>Project Manager:</b> Harold Torres	<b>Telephone Number:</b> (213) 922-5714

**A. Procurement Background**

This Board Action is to approve Contract No. MA77508000 for the procurement of Differential Assembly. Board approval of this contract award is subject to resolution of any properly submitted protest.

An Invitation for Bid (IFB) No. MA77508 was issued in accordance with Metro's Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

No amendments were issued during the solicitation phase of this IFB.

A total of one bid was received on September 30, 2021 from The Aftermarket Parts Company, LLC.

Staff conducted a market survey to determine the reasons for the lack of formal bid responses to this IFB. Inquiries were made to all firms that obtained the solicitation. Firms indicated they could not competitively bid on this item due to the supply chain issues caused by the pandemic.

**B. Evaluation of Bids**

This procurement was conducted in accordance, and complies with Metro’s Acquisition Policy for a competitive sealed bid.

The bid received from The Aftermarket Parts Company, LLC (Aftermarket) was determined to be responsive and responsible, and in full compliance in meeting the bid and technical requirements of the IFB.

**C. Price Analysis**

The recommended bid price from Aftermarket has been determined to be fair and reasonable based upon the Independent Cost Estimate (ICE) and historical purchases.

<b>Bidder Name</b>	<b>Bid Amount</b>	<b>Metro ICE</b>
The Aftermarket Parts Company LLC	\$2,143,880.35	\$2,108,339

**D. Background on Recommended Contractor**

The recommended firm, The Aftermarket Parts Company, LLC is located in Delaware, OH has been in business for ninety (90) years. The Aftermarket Parts Company, LLC provided similar products for Metro and other agencies including the Metropolitan Council Minnesota, Chicago Transit Authority, and King County and numerous other transit agencies. The Aftermarket Parts Company, LLC. has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

DIFFERENTIAL ASSEMBLY / MA77508000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 2% Disadvantaged Business Enterprise (DBE) goal for this solicitation. The Aftermarket Parts Company LLC met the goal by making a 2% DBE commitment.

<b>Small Business Goal</b>	<b>2% DBE</b>	<b>Small Business Commitment</b>	<b>2% DBE</b>
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	<b>DBE Subcontractor</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Say Cargo Express, Inc.,	Hispanic American	2%
<b>Total Commitment</b>			<b>2%</b>

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

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.

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

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.