

**Board Report**

File #: 2023-0425, **File Type:** Contract**Agenda Number:** 34.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
SEPTEMBER 21, 2023****SUBJECT: BUS BATTERIES****ACTION: AWARD CONTRACT FOR BUS BATTERIES****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery / Indefinite Quantity (IDIQ) Contract No. MA90333-2000 to Battery Power, Inc., the responsive and responsible bidder for Bus Batteries - 12V, Group 31. The contract one-year base amount is \$1,474,110.90 inclusive of sales tax, and the one-year option amount is \$1,474,110.90, inclusive of sales tax, for a total contract amount of \$2,948,221.80, subject to resolution of any properly submitted protest(s), if any.

ISSUE

Bus Batteries are used by the Bus Maintenance Department supporting a fleet of over 2,000 Metro buses. Bus batteries are required for the engine to operate and perform effectively.

Award of this contract will ensure the operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards and is necessary to ensure service continuity and avoid any interruption to Metro operations.

BACKGROUND

Bus batteries provide the stored electrical energy necessary to start engines on buses, energize control modules and other electrical systems. It also energizes the alternator which generates additional power for the various electrical systems installed on the bus fleet. After repeated heavy use each day for the extended service intervals on Metro buses, the batteries deteriorate and become unable to store the required amount of energy to provide the current required to start the engines on buses and supply power for the electrical subsystems. Bus batteries that fail will result in buses being taken out of service due to engine no start or stalling issues, which will impact the service provided to customers while buses are pending installation of new replacement batteries. Similar to automotive batteries, the purchase of new bus batteries includes a core charge for the recycling of failed batteries. The failed batteries are returned to the vendor for recycling. Bus batteries functioning at full capacity are crucial for the safe and reliable operation of the bus fleet.

DISCUSSION

The bus operating divisions and Central Maintenance Shops use the bus batteries when performing repairs and preventative maintenance on the bus fleet. It is imperative to always have an inventory of bus batteries on hand to service the Metro 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 bus batteries that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The purchased bus batteries are installed by Metro Mechanics.

Bus batteries will be purchased and maintained in inventory and managed by Material Management. As bus batteries are issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

The award of the contract for bus batteries will ensure that all operating divisions and the Central Maintenance Facility have an adequate inventory to maintain the equipment according to Metro Maintenance standards. This action will prevent service impacts, deferred maintenance, and ensure bus availability for revenue service.

FINANCIAL IMPACT

Funding in the amount of \$1,474,110.90 for these bus batteries is included in the FY24 budget under account 50441, Parts - Revenue Vehicle in multiple bus operating cost centers under project 306002 Operations Maintenance, and in the Central Maintenance Shops cost center 3366 under project 203050 NEW FLYER/ELDORADO BUS MIDLIFE Program.

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

The current sources 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.

EQUITY PLATFORM

This action will ensure that Metro’s bus fleet which serves most regions in Los Angeles County is able to provide vital transportation services to neighborhoods, including many underserved communities 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 Metro bus maintenance programs ensure the proper State of

Good Repair of the bus fleet to provide transportation for these underserved communities.

The Diversity and Economic Opportunity Department (DEOD) completed a proposal evaluation for this project and did not recommend a DBE goal for this procurement due to the lack of subcontracting opportunities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The bus batteries support Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The procurement of bus batteries for inventory will help to ensure the reliability of the bus fleet and enable our customers to arrive at their destinations on schedule and without interruption.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and procure the bus batteries on an as-needed basis, using the traditional “min/max” replenishment 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. MA90333-2000 for the procurement of bus batteries with Battery Power, Inc.,

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

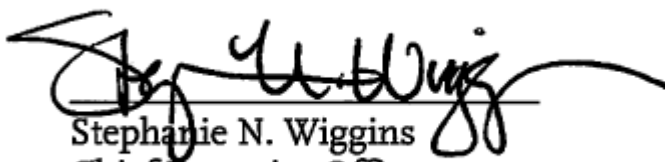
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Reviewed by: Conan Cheung, Chief Operations Officer (213) 418-3034


Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

BATTERY - 12V GROUP 31/MA90333-2000

1.	Contract Number: MA90333-2000	
2.	Recommended Vendor: Battery Power Inc., 11818 Glenoaks Blvd., San Fernando, CA 91340	
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: 3/09/23	
	B. Advertised/Publicized: 3/10/22	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 4/12/23	
	E. Pre-Qualification Completed: 5/23/23	
	F. Conflict of Interest Form Submitted to Ethics: 4/20/23	
	G. Protest Period End Date: 9/25/23	
5.	Solicitations Picked up/Downloaded: 13	Bids/Proposals Received: 3
6.	Contract Administrator: Tanya Allen	Telephone Number: (213) 922-1018
7.	Project Manager: Harold Torres	Telephone Number: (213) 922-5714

A. Procurement Background

This Board Action is to approve Contract No. MA90333-2000 for the procurement of Battery – 12V Group 31. Board approval of this contract award is subject to the resolution of any properly submitted protest.

An Invitation for Bid (IFB) No. MA90333-2 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 three (3) bids were received on March 9, 2023.

B. Evaluation of Bids

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

1. Battery Power Inc.
2. Peacock Systems
3. Jamison Transportation Products

All firms were determined to be responsive and responsible to the IFB requirements. The recommended firm, Battery Power, Inc., the lowest responsive and responsible bidder, was found to be in full compliance in meeting the bid and technical requirements of the IFB.

C. Price Analysis

The recommended bid price of \$2,948,221.80 is 11% over the Independent Cost Estimate (ICE) of \$2,658,067.00. The ICE was based on historical pricing and did not factor in material cost increases and on-going supply chain constraints. The recommended price from Battery Power Inc. has been determined to be fair and reasonable based on adequate price competition and selection of the lowest responsive and responsible bidder.

Low Bidder Name	Bid Amount	Metro ICE
Battery Power Inc.	\$2,948,221.80	\$2,658,067.00
Peacock Systems	\$3,130,210.80	
Jamison Transportation Products	\$3,461,430.78	

D. Background on Recommended Contractor

The recommended firm, Battery Power Inc. is located in San Fernando, CA has been in business for 50 (fifty) years. Battery Power, Inc. has provided similar products for Metro and other agencies including Orange Coast Transportation, and City of Santa Monica and numerous other transit proprietries that are available upon request. Battery Power Inc. has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

BUS BATTERIES/MA90333-2000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) participation goal for this Indefinite Delivery / Indefinite Quantity (IDIQ) procurement due to lack of subcontracting opportunities. Battery Power, Inc. did not make a commitment. It is expected that Battery Power will be performing the services of this contract with their own workforce.

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

E. 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.