



Board Report

File #: 2024-0549, **File Type:** Contract

Agenda Number: 31.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
OCTOBER 24, 2024**

SUBJECT: BUS BATTERIES

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Contract No. MA90333-2000 with Battery Power, Inc., for Bus Batteries 12V, Group 31. This modification will exercise the one-year option in the not-to-exceed amount of \$1,474,110.90, increasing the total contract value from \$1,474,110.90 to \$2,948,221.80 and extending the contract term from November 9, 2024 to November 8, 2025.

ISSUE

The Bus Maintenance Department uses bus batteries to support a fleet of over 2,000 Metro buses. Bus batteries are required for the engine and all major systems and subsystems on the bus fleet to operate and perform effectively.

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

BACKGROUND

Metro awarded the original contract in September of 2023 as a two-year contract, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. MA90333-2000 with Battery Power, Inc. The contract base amount is \$1,474,110.90 inclusive of sales tax, and a one-year option amount is \$1,474,110.90, inclusive of sales tax, for a total contract amount of \$2,948,221.80. The first year was successful, and Metro’s Central Maintenance Shop’s Midlife Program is requesting approval for the 2nd year option. Staff issued a no cost period of performance extension from September 28, 2024 through November 8, 2024. The 2nd year option would continue the Midlife Program bus batteries replacement from November 9, 2024 through November 8, 2025.

Bus batteries provide the stored electrical energy necessary to start engines on buses and 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 take buses out of service due to engine no start or stalling issues, impacting the service provided to customers while buses are pending installation of new replacement batteries. Similar to automotive batteries, purchasing new bus batteries includes a core charge for recycling failed batteries. The failed batteries are returned to the vendor for recycling. Bus batteries functioning at total 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 modification to be awarded is a “requirements type” agreement in which we commit to ordering only from the awardee up to the specified quantity for a specific duration of time. However, Metro is not obligated to order any or all of the bus batteries that may be required. The bid quantities are estimates only, with deliveries to be ordered and released as necessary. Metro Mechanics install the purchased bus batteries.

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

DETERMINATION OF SAFETY IMPACT

The contract modification for bus batteries will ensure that all operating divisions and the Central Maintenance Shops 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 FY25 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.

Impact to Budget

The current funding sources for this action include Propositions A and C, Measure M, Federal Section 5307, and the Transportation Development Act. 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 Equity Focus Communities (EFCs) 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 EFCs. The Metro bus maintenance programs ensure the proper State of Good Repair of the bus fleet to provide transportation for these underserved communities.

Due to the lack of subcontracting opportunities, the Diversity and Economic Opportunity Department (DEOD) did not recommend a DBE goal for this procurement.

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. Procuring bus batteries for inventory will help 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 approve the contract modification and procure the bus batteries as needed, 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 availability, timely delivery, continued supply, and a guaranteed fixed price for the parts.

NEXT STEPS

Upon approval by the Board, staff will execute a contract modification to Contract No. MA90333-2000 for the procurement of bus batteries with Battery Power, Inc.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

BUS BATTERIES

CONTRACT NO. MA90333-2000

1.	Contract Number: MA90333-2000		
2.	Contractor: Battery Power Inc.		
3.	Modification Work Description: Exercise Option		
4.	Contract Work Description: Bus Battery 12V – Group 31		
5.	The following data is current as of: 6/25/24		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	9/29/23	Contract Award Amount: \$1,474,110.90
	Notice to Proceed (NTP)	9/29/23	Total of Modifications Approved: 1
	Original Complete Date:	9/28/24	Pending Modifications (including this action): \$1,474,110.90
	Contract Est. Completion Date:	11/8/25	Current Contract Value (with this action): \$2,948,221.80
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 Modification No. 2 Contract No.MA90333-2000 issued in support of:

Exercising the one-year option and increasing the total not-to-exceed amount by \$1,474,110.90 to \$2,948,221.80.

This Contract Modification will be processed in accordance with Metro’s Acquisition Policy and the contract type is Firm Fixed Price (FFP).

The original contract was approved by the Board on September 28, 2023, to Battery Power, Inc. for a one-year base period in the amount of \$1,474,110.90 with a one-year option term for a total not-to-exceed amount of \$2,847,221.80.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Price Analysis

The recommended unit price has been determined to be fair and reasonable based on the price analysis completed as part of the total contract amount. The price of the contract was established in September 2023 as part of the competitive contract award and shall remain unchanged. According to the Producer Price Index, similar industries experienced an average of 2.3% increase from April 2023 to May 2024. The price for this option year is the same price the contractor has charged Metro during the initial base term, with no increase. Therefore, exercising the option is in the best interest of Metro. This Contract was a result of a competitive IFB in which the option year was evaluated and award was made to the lowest responsive, responsible bidder.

OPTION YEAR AMOUNT	METRO ICE	MODIFICATION AMOUNT
\$1,474,110.90	\$1,474,110.90	\$1,474,110.90

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

**BUS BATTERIES
CONTRACT NO. MA90333-2000**

Mod. no.	Description	Status (approved or pending)	Date	\$ Amount
1	Extend Period of Performance	Approved	9/25/24	\$0.00
2	Exercise one-year option term	Pending	TBD	\$1,474,110.90
	Modification Total:			\$1,474,110.90
	Original Contract:	Approved	9.29.23	\$1,474,110.90
	Total:			\$2,948,221.80

DEOD SUMMARY

BUS BATTERIES / MA90333-2000

A. Small Business Participation

The Diversity & Economic Opportunity Department did not establish a Disadvantaged Business Enterprise (DBE) goal for this project due to the lack of subcontracting opportunities. It is expected that Battery Power, Inc. will continue to provide the services of this contract with its own workforce.

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

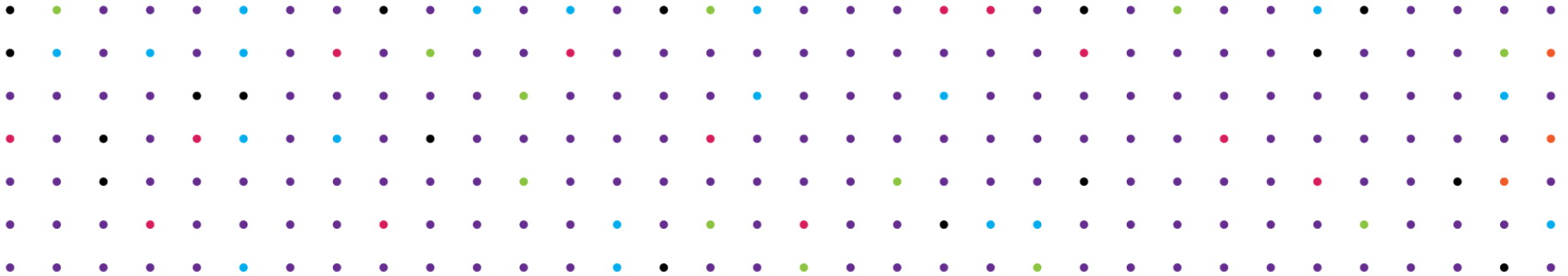
Prevailing wage is not applicable to this modification.

D. Project Labor Agreement/Construction Careers Policy

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

BUS BATTERIES

OCTOBER 24, 2024

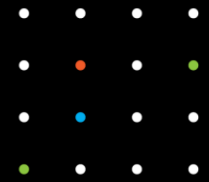


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ISSUE & DISCUSSION



AWARDEE - Battery Power, Inc.

NUMBER OF BIDS – Exercising Modification Option Order

DEOD COMMITMENT – 0%, The Diversity & Economic Opportunity Department did not establish a Disadvantaged Business Enterprise (DBE) goal for this project due to the lack of subcontracting opportunities.

ISSUE

Bus batteries are required for the engine and all major systems and subsystems on the bus fleet to operate and perform effectively. Bus batteries provide stored electrical energy necessary to start engines on buses, energize control modules, electrical systems, and the alternator which generates additional power. Bus batteries that fail will result in buses being taken out of service due to engine no start or stalling issues. Execution of this contract Modification will ensure the operating divisions have adequate inventory to repair and maintain the buses and avoid service interruptions.

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.

