

**Board Report**

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**File #:** 2017-0543, **File Type:** Contract**Agenda Number:** 24.

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
SEPTEMBER 21, 2017****SUBJECT:** DIFFERENTIAL ASSEMBLY**ACTION:** AWARD CONTRACT**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a 36-month, indefinite delivery/indefinite quantity Contract no. MA41702000 to America Moving Parts, the lowest responsive and responsible bidder, for Differential Assemblies for a total contract amount of \$1,049,835; subject to resolution of protest (s), if any. The award is for a base year amount of \$343,541, inclusive of sales tax; option year 1 in the amount of \$343,541, inclusive of sales tax; and option year 2 in the amount of \$362,753, inclusive of sales tax.

**ISSUE**

The Bus Maintenance Midlife program targets buses at the mid-point of the bus life and includes major mechanical systems replacements and interior and exterior refurbishment. During the Midlife, the existing differential assembly will be replaced 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.

**DISCUSSION**

The bus differentials are 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 applies a ratio from one rotation to over five to one to the axles and tires for driving the bus in either forward or reverse.

The contract to be awarded is a "requirements type" agreement in which we commit to order up to the specified quantity for a specific duration of time, but there is no obligation or commitment for Metro to order the maximum quantity of differential assemblies. The bid quantities are estimates only, with deliveries to be ordered and released as required.

**DETERMINATION OF SAFETY IMPACT**

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

## **FINANCIAL IMPACT**

The funding of \$200,398 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 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 source of funds for this procurement will come from Federal formula funds, State MSRC, Proposition C 40%, and Enterprise Operating Funds including fares. These sources are eligible for Bus Operating or Capital projects. Use of these funding sources maximizes established funding provisions and guidelines.

## **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**

Metro's requirements for differential assemblies 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

## DIFFERENTIAL ASSEMBLY / MA41702000

1.	<b>Contract Number:</b> MA41702000	
2.	<b>Recommended Vendor:</b> American Moving Parts, 4408 Worth Street, Los Angeles, CA 90063	
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>	
	A. Issued: 6/22/17	
	B. Advertised/Publicized: 6/22/17	
	C. Pre-Bid Conference: N/A	
	D. Bids Due: 7/25/17	
	E. Pre-Qualification Completed: 8/10/17	
	F. Conflict of Interest Form Submitted to Ethics: 8/02/17	
	G. Protest Period End Date: 9/19/17	
5.	<b>Solicitations Picked up/Downloaded:</b> 12	<b>Bids Received:</b> 6
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. MA41702000 issued in support of differential assembly 4.89 ratio. Board approval of contract awards are subject to resolution of any properly submitted protest.

IFB No. MA41702 was issued in accordance with Metro's Acquisition Policy and the contract type is a fixed unit price indefinite delivery, indefinite quantity.

No amendments were issued. A total of six bids were received on July 25, 2017.

**B. Evaluation of Bids**

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

1. American Moving Parts
2. Axletech LLC
3. Gillig LLC
4. Muncie Reclamation & Supply
5. Neopart Transit LLC
6. The Aftermarket Parts (New Flyer)

All companies were determined to be in full compliance with the bid and technical requirements. Axletech LLC bid an approved equal.

**C. Price Analysis**

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

<b>Bidder Name</b>	<b>Bid Amount</b>	<b>Metro ICE</b>
American Moving Parts	\$1,049,835	\$1,211,400
Neopart Transit, LLC	\$1,108,573	
Gillig, LLC	\$1,109,903	
Muncie Reclamation & Supply	\$1,180,373	
The Aftermarket Parts (New Flyer)	\$1,185,241	
Axletech, LLC	\$1,538,712	

**D. Background on Recommended Contractor**

The recommended firm, American Moving Parts (AMP), located in Los Angeles, CA has been in business for 14 year, and is a leader in brake parts. AMP has provided differentials and various related products to other agencies including City of Los Angeles, Metro St. Louis, Santa Monica Big Blue Bus, Orange County Transportation Authority (OCTA), and Omni Transportation Authority, San Bernardino. In the past, AMP has provided satisfactory products and services to Metro.

DEOD SUMMARY

DIFFERENTIAL ASSEMBLY / MA41702000

**A. Small Business Participation**

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Race Conscious Disadvantaged Business Enterprise (DBE) goal for this procurement due to lack of subcontracting opportunities. The Differential ASM 4.89 Ratio 71000 Series Axle is an Original Equipment Manufacturer (OEM) part, which is shipped directly to Metro. American Moving Parts, LLC did not make a DBE Commitment.

**B. Living/Prevailing 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 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.