



## Board Report

File #: 2018-0491, File Type: Contract

Agenda Number: 15.

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### OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE OCTOBER 18, 2018

**SUBJECT: BUS C-FRAMES**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

CONSIDER:

- A. FINDING that the procurement of Bus C-Frames under Public Utilities Code (PUC) Section 130237, as an Original Equipment Manufacturer (OEM) item, constitutes a single source procurement method for the purpose of duplicating equipment already in use; and
- B. AUTHORIZING the Chief Executive Officer to award a single source two-year, Indefinite Delivery, Indefinite Quantity Contract No. MA53981000 to The Aftermarket Parts Company, LLC (New Flyer Parts) for C-Frames Left Hand (LH) and Right Hand (RH). The Contract first year base amount is \$653,889, inclusive of sales tax, and the second year Contract amount is \$653,889, inclusive of sales tax for a total Contract Not-to-Exceed value of \$1,307,778.

(REQUIRES 2/3 VOTE OF THE BOARD)

#### **ISSUE**

This procurement is for the acquisition of bus C-Frames which are required for maintaining the safe and reliable operation of the bus fleet. Award of this Contract will ensure that Bus Maintenance has adequate inventory to repair and maintain buses according to Metro maintenance standards.

#### **BACKGROUND**

The component usage reports from Material Management revealed that on an annual basis approximately 130 left-hand and 125 right-hand C-Frame assemblies were issued to Bus Maintenance to support replacement of these components that were damaged during normal operation. The C-Frame assemblies are installed by Metro Mechanics at the Central Maintenance Shops as a part of the Bus Midlife Program and at all bus operating divisions when necessary. Buses cannot operate without C-Frames that are in adequate operating condition.

#### **DISCUSSION**

The C-Frames are being replaced during the Bus Midlife Overhaul Project on the 45' composite NABI buses. There is a C-Frame on the right hand-side and left-hand side of the bus that supports the rear drive axle and body of the bus. C-Frame cracks or damage requires that buses be removed from service in accordance with Metro Maintenance Standards and North American Out-of-Service Criteria, which are the guidelines used by the California Highway Patrol (CHP) to inspect our bus fleet during the annual bus operating division inspections.

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 C-Frames that may currently be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) goal for this solicitation due to the lack of subcontracting opportunities. The purchased C-Frame assemblies are installed by Metro Mechanics.

C-Frames will be purchased and maintained in inventory and managed by Material Management. As C-Frames are issued, the appropriate budget project numbers and accounts will be charged.

### **DETERMINATION OF SAFETY IMPACT**

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

### **FINANCIAL IMPACT**

The funding of \$653,889 for these assemblies is included in the FY19 budget under account 50441, Parts - Revenue Vehicle within multiple bus operating cost centers in project 306002 Operations Maintenance and in the Central Maintenance cost center 3366, under project 203024 Midlife Project.

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 funds for this action are Federal section 5339 and Proposition C 40% local matching. This funding source currently maximizes allowable project fund allocations given approved funding provisions and guidelines.

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

Approval of this recommendation supports the following Metro Strategic Plan Goal: Deliver outstanding trip experiences for all users of the transportation system. This project will help maintain safety and reliability standards in an effort to provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.

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**ALTERNATIVES CONSIDERED**

The alternative is to not award the contract and procure C-Frames on the open market on an as-needed basis. This approach is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

**NEXT STEPS**

Metro's requirements for C-Frames will be fulfilled under the provisions of the Contract.

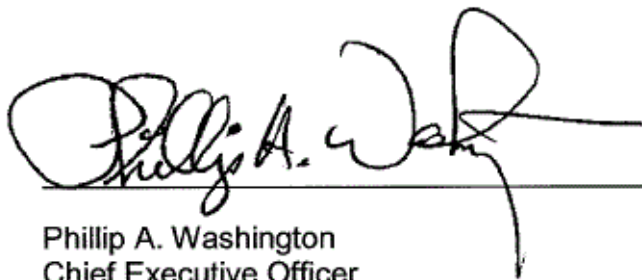
**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Reviewed by: Debra Avila, Chief, Vendor/Contract Management (213) 922-6383  
James T. Gallagher, Chief Operations Officer (213) 418-3108



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Phillip A. Washington  
Chief Executive Officer

**PROCUREMENT SUMMARY**

**BUS C-FRAMES LH AND RH/MA53981000**

1.	<b>Contract Number:</b> MA53981000	
2.	<b>Recommended Vendor:</b> The Aftermarket Parts Company, LLC (New Flyer Parts), 3229 Sawmill Parkway, Delaware, OH 43015	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" 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> 6/8/18	
	<b>B. Advertised/Publicized:</b> N/A Sole Source	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> N/A	
	<b>D. Proposals/Bids Due:</b> 7/10/18	
	<b>E. Pre-Qualification Completed:</b> 7/30/18	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 7/30/18	
	<b>G. Protest Period End Date:</b> 10/19/18	
5.	<b>Solicitations Picked up/Downloaded:</b> 0	<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> Alex DiNuzzo	<b>Telephone Number:</b> 213/922-5860

**A. Procurement Background**

This Board Action is to approve Contract No. MA53981 in support of the procurement for C-Frames left hand (LH) and right hand (RH).

The RFP for a sole source was issued to the Original Equipment Manufacturer (OEM) The Aftermarket Parts Company, LLC (New Flyer Parts) on June 8, 2018 in accordance with Metro’s Acquisition Policy and the contract type is a not-to exceed Indefinite Delivery, Indefinite Quantity (IDIQ).

No amendment was issued during the solicitation phase of this RFP:

**B. Evaluation of Bids**

This is a sole source procurement. The proposal was found to be technically acceptable and fully responsive to all the RFP requirements. The firm recommended for award, New Flyer Parts, was found to be responsive and responsible.

### **C. Cost/Price Analysis**

A price analysis was performed in lieu of a cost analysis in accordance with Metro's Acquisition Policy for a sole source acquisition. Cost element data was not made available by the single source Original Equipment Manufacturer (OEM). Instead, staff conducted market research, and assessed historical price and invoice data to determine price fairness and reasonableness. Based on staff's price analysis assessment it was determined that the total price proposed by the OEM is fair and reasonable.

<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>
New Flyer Parts	\$1,370,778	\$1,194,318

### **D. Background on Recommended Contractor**

The recommended firm, New Flyer Parts is located in Delaware, OH and has been in business for eighty-eight (88) years. New Flyer Parts has provided similar products for other agencies including Metropolitan Paul Revere Transportation (Green Bus Depot), Dallas Area Rapid Transit (DART), Miami Dade Transit, and Transdev Services Incorporated. New Flyer Parts currently has multiple contracts with Metro and in the past they have satisfactorily delivered goods and services to Metro.

DEOD SUMMARY

BUS C-FRAMES LH AND RH/MA53981

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this procurement based on the lack of subcontracting opportunities. This solicitation is a sole source, non-competitive procurement. The Aftermarket Parts Company, LLC dba New Flyer Parts, is the Original Equipment Manufacturer (OEM) of the C-Frames Drive Axles and ships the parts directly to Metro.

**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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.