

**Board Report**

File #: 2021-0811, **File Type:** Contract**Agenda Number:** 14.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 17, 2022****SUBJECT: INVERTER CONTROL BOX****ACTION: AWARD CONTRACT FOR INVERTER CONTROL BOX****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. MA81563000 to TK Services, Inc. , the lowest responsive and responsible bidder for Inverter Control Boxes. The Contract is for a one-year base in the amount of \$1,497,960, inclusive of sales tax, and a one-year option in the amount of \$1,497,960, inclusive of sales tax, for a total contract amount of \$2,995,920, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the inverter control box, which is a power supply for the air conditioning (AC) system on the Xcelsior bus. It is an essential component that provides electrical power to the compressor, fan motor and other A/C accessories. It maintains a safe and reliable operation of the bus. The operating divisions replace the inverter control box as it breaks down, and it is imperative to have an inventory of it on hand at all times.

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

The inverter control box is a power lifeline for the A/C system in the Xcelsior bus fleet. The function of the inverter control box is to provide electrical power to the compressor that regulates the A/C system on the Xcelsior bus. It also provides electrical power to other A/C accessories as well. An operational inverter is essential to ensure the reliability and safety of a bus.

Metro has over 850 Xcelsior buses in operation. They consumed 154 Xcelsior inverters in 2021 and the demand will go up as the buses get older and accrue higher mileage.

DISCUSSION

The inverter control box is a power supply for the A/C system in the Xcelsior bus fleet. The replacement of the inverter control box is required when it is failing. The inventory and availability of the inverter control box is crucial to ensure the safety of passengers and provides a high level of customer service. The availability of the inverter control box on hand reduces bus down time and keeps buses in revenue service.

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 inverter control box that may currently be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

The inverter control box will be purchased and maintained in inventory and managed by Material Management. As the inverter control box is issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

Award of this contract will ensure that all operating divisions have adequate inventory to maintain the bus fleet according to Metro Maintenance standards. This action will prevent deferred maintenance and maintain the bus availability for revenue service.

FINANCIAL IMPACT

The funding of \$499,320 for this product is included in the FY22 budget in various bus operating cost centers, under project 306002 - Operations Maintenance, under line item 50441 - M/S Parts - Revenue Vehicle.

Since this is a multi-year contract, the cost center managers and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years including any option exercised.

Impact to Budget

The current funding source for this action is Federal, State, and Local, including sales tax and fares. These sources are eligible for Bus Operating or Capital projects. Using these funding sources maximizes the project funding allocations allowed by approved provisions and guidelines.

EQUITY PLATFORM

The benefits of this action are to ensure that the bus fleet that serves Los Angeles County, including many underserved communities are 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. Public transportation provides an important lifeline for the residents in underserved communities, and the procurement of inverter ensures the safety of passengers and

provides a high level of customer service for these underserved communities.

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 inverter control box supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The inverter control box will help maintain the reliability of the bus fleets and ensure that our customers can arrive at their destinations without interruption and in accordance with the Metro bus operations.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and procure the inverter control boxes 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. MA81563000 for the procurement of inverter control boxes with TK Services, Inc. at the one-year base amount of \$1,497,960, inclusive of sales tax, and the one-year option amount of \$1,497,960, inclusive of sales tax, for a total contract amount of \$2,995,920.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

INVERTER CONTROL BOX/MA81563000

1.	Contract Number: MA81563000	
2.	Recommended Vendor: TK Service Inc., 6118 Alcoa Avenue, Vernon, CA 90058	
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: 10/20/21	
	B. Advertised/Publicized: 10/19/21	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 11/30/21	
	E. Pre-Qualification Completed: 12/30/21	
	F. Conflict of Interest Form Submitted to Ethics: 12/8/21	
	G. Protest Period End Date: 2/22/22	
5.	Solicitations Picked up/Downloaded: 9	Bids/Proposals Received: 2
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. MA81563000 for the procurement of Inverter Control Box. Board approval of this contract award is subject to resolution of any properly submitted protest.

An Invitation for Bid (IFB) No. MA81563 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 two bids were received on November 30, 2021.

B. Evaluation of Bids

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

1. The Aftermarket Parts Company, LLC
2. TK Services, Inc.

All firms were determined to be responsive and responsible to the IFB requirements. The recommended firm, TK Services, 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 from TK Services, Inc. has been determined to be fair and reasonable based upon the Independent Cost Estimate (ICE) and historical purchases.

Low Bidder Name	Bid Amount	Metro ICE
TK Services, Inc.	\$2,995,920.00	\$2,998,303
The Aftermarket Parts Company, LLC	\$3,076,842.30	

D. Background on Recommended Contractor

The recommended firm, TK Services, Inc. is located in Vernon, CA and has been in business for twenty-one (21) years. TK Services, Inc. provided similar products for Metro and other companies including Transdev North America, Inc., in Arcadia, CA, and J.B. Hunt Transport Services, Inc. in South Gate, CA. TK Services, Inc. has provided satisfactory service and product to Metro on previous purchases.

DEOD SUMMARY

INVERTER CONTROL BOX/MA81563000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 2% Disadvantaged Business Enterprise (DBE) goal for this solicitation. TK Services, Inc. made a 2.04% DBE commitment.

Small Business Goal	2% DBE	Small Business Commitment	2.04% DBE
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	DBE Subcontractor	Ethnicity	% Committed
1.	D & W Trucking	African American	2.04%
Total Commitment			2.04%

B. Living Wage / 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.