



Board Report

File #: 2024-0472, File Type: Contract

Agenda Number: 21.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 19, 2024

SUBJECT: ALTERNATOR ASSEMBLY

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery / Indefinite Quantity (IDIQ) Contract No. MA113336000 to TK Services, Inc., the lowest responsive and responsible bidder to supply alternator assemblies in the not-to-exceed (NTE) amount of \$2,805,153.48, inclusive of sales tax, subject to the resolution of any properly submitted protest(s), if any.

ISSUE

This procurement is for the acquisition of alternator assemblies required for maintaining the safe and reliable operation of the bus fleet. The high voltage alternators have failed at an increased rate due to the age of this equipment, and this contract will support the replacement of these components. The award of this contract will ensure that Metro's Bus Maintenance has an adequate inventory to repair and maintain buses according to Metro maintenance standards.

BACKGROUND

The high voltage alternators are used on Metro's New Flyer Xcelsior buses to provide power to the heating and ventilation systems. These buses were purchased in 2013 and 2015, and the buses are experiencing higher failure rates of the high voltage alternators. The replacement of the alternators is extremely important in ensuring proper functioning air conditioning systems on the bus fleet.

DISCUSSION

Metro's current bus fleet of New Flyer Xcelsior buses are equipped with an alternator assembly to supply the electrical current for the bus interior climate control system. The alternator assembly is crucial for supplying a continuous source of high voltage power, that enables the bus air conditioning system to maintain desired temperatures throughout the interior of the bus for the comfort and safety of our riders. The Alternator Assembly is replaced at the bus operating divisions in response to performance issues or assembly failures.

The contract to be awarded is a "requirements type" agreement in which Metro commits to order only from the awardee, up to the specified quantity, for a specific duration of time, but there is no obligation or commitment to order any or all of the alternator assemblies that may be required. The bid quantities are estimates only, with deliveries to be ordered and released as necessary. The requirements type agreement will ensure that Metro only purchases the quantity of parts needed to repair equipment with damaged components.

Material management will purchase, maintain, and manage alternator assemblies in inventory. As they are issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

The award of this contract will positively impact safety by ensuring bus operating divisions have an adequate inventory of parts to maintain the bus fleet according to air conditioning manufacturer and Metro Maintenance standards. Ensuring a proper supply of alternator assemblies ensures a safe environment for customers by providing optimal air conditioning in Metro buses.

FINANCIAL IMPACT

Funding of \$1,402,576.74 is included in the FY25 budget under multiple bus operating cost centers in project 306002 Operations Maintenance under Line 50441, Parts - Revenue Vehicle.

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

Impact to budget

The current funding sources for this action include Proposition A, Proposition C, Measure R, Measure M, Transportation Development Act, STA/SB1, and Federal grant. 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 the bus fleet serving Los Angeles County, including many Equity Focus Communities (EFC), 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. Bus transportation provides an essential lifeline for the residents in EFCs, and the Metro bus maintenance programs ensure the proper State of Good Repair of the bus fleet to provide transportation for these communities. The procurement of alternators to ensure that performance and reliability of the bus fleet ensures the highest level of bus service.

The Diversity and Economic Opportunity Department (DEOD) established a two percent (2%) goal for this procurement. TK Services, Inc. made a 2% DBE commitment.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Procuring alternator assemblies for the Xcelsior buses supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. Installing alternator assemblies will maintain the reliability of the bus fleet and ensure that our customers can arrive at their destinations without interruption and in accordance with the scheduled service intervals for Metro bus operations.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and procure the alternator assemblies as needed, using the traditional "min/max" replenishment method. This strategy is not recommended since it does not require a commitment from the supplier to ensure availability, timely delivery, continued supply, and a guaranteed fixed price for the parts.

NEXT STEPS

Metro's requirements for the alternator assemblies will be fulfilled under the contract's provisions.

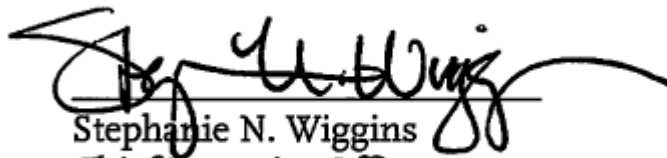
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

ALTERNATOR ASSEMBLY / MA113336000

1.	Contract Number: MA113336000	
2.	Recommended Vendor: TK Services, Inc.	
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: 2/27/24	
	B. Advertised/Publicized: 2/23/24	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 4/16/24	
	E. Pre-Qualification Completed: 5/8/24	
	F. Conflict of Interest Form Submitted to Ethics: 4/17/24	
	G. Protest Period End Date: 9/19/24	
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. MA113336000 for the procurement of alternator assemblies. Board approval of this contract award is subject to the resolution of any properly submitted protest(s), if any.

An Invitation for Bid (IFB) No. MA113336000 was issued in accordance with Metro’s Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

Two (2) amendments were issued during the solicitation phase of this IFB:

- Amendment No. 1 was issued on February 29, 2024, to update the bid opening date;
- Amendment No. 2 was issued on March 19, 2024, to update the Schedule of Quantities and Prices requirements.

A total of two (2) bids were received on April 16, 2024.

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. Gillig, LLC
2. TK Services, Inc.

Both 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 adequate price competition, the Independent Cost Estimate (ICE), and selection of the lowest responsive and responsible bidder.

The recommended bid price of \$2,805,153.48 is 24% lower than the ICE of \$3,695,365. The ICE was based on historical pricing, higher-than-normal inflation and material cost increases. The variance between the ICE and Bid Price was due to higher-than-normal inflation factors used to calculate the ICE. This contract will achieve a price savings of 11% based on historical pricing.

Bidder Name	Bid Amount	Metro ICE
TK Services, Inc.	\$2,805,153.48	\$3,695,365.00
Gillig, LLC	\$4,165,498.26	

D. Background on Recommended Contractor

The recommended firm, TK Services, Inc. is located in Vernon, CA and has been in business for 21 years. TK Services has 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 products to Metro on previous purchases.

DEOD SUMMARY

ALTERNATOR ASSEMBLY / MA113336

A. Small Business Participation

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

Small Business Goal	2% DBE	Small Business Commitment	2% DBE
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	DBE Subcontractor	Ethnicity	% Committed
1.	Say Cargo Express	Hispanic American	1%
2.	D & W Trucking	African American	1%
Total Commitment			2%

B. Local Small Business Enterprise (LSBE) Preference

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

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

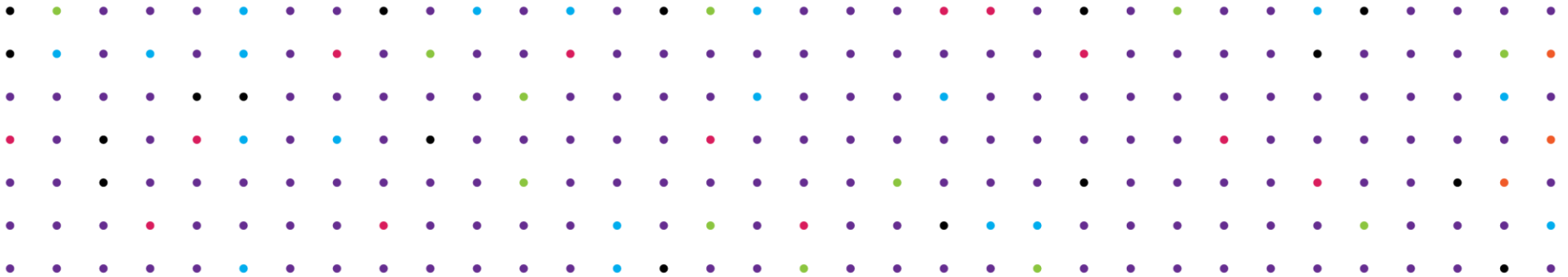
Prevailing wage is not applicable to this contract.

E. Project Labor Agreement/Construction Careers Policy

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

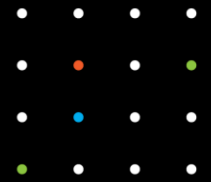
ALTERNATOR ASSEMBLY

SEPTEMBER 19, 2024



Operations, Safety, & Customer Experience Committee Meeting

RECOMMENDATION



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ISSUE & DISCUSSION



AWARDEE - TK Services, Inc.

NUMBER OF BIDS - 2

- TK Services, Inc. - \$2,805,153.48
- Gillig LLC - \$4,165,498.26

DEOD COMMITMENT - 2%

ISSUE

Alternator assemblies are required for maintaining the safe and reliable operation of the heating, ventilation, and air conditioning systems on Metro's bus fleet.

DISCUSSION

The alternator assembly is an important component of the electrical system. The primary purpose of the alternator is generation of high voltage electricity that powers the bus air conditioning system.

