



**OPERATIONS COMMITTEE
JUNE 17, 2004**

SUBJECT: OVERHEAD CRANES MAINTENANCE AND REPAIR

ACTION: AWARD CONTRACT NO. OP33441513 FOR MAINTENANCE AND REPAIR SERVICES

RECOMMENDATION

Authorize the Chief Executive Officer to award a five (5) year, time and materials contract, Contract No. OP33441513 to Ace Crane Service, Inc. to provide overhead cranes maintenance and repair services on an “as needed” basis, in an amount not to exceed \$202,750, inclusive of two one-year options, effective July 1, 2004.

RATIONALE

This repair and maintenance contract is needed to meet the maintenance and repair needs for overhead cranes to keep them at optimal working condition, maximize their utility and to comply with safety regulations. The inspection and repair of overhead cranes is mandated by CALOSHA’s worker safety regulation.

There are 89 overhead cranes that range in age from 25 to two years that are utilized by maintenance personnel throughout bus maintenance shops and train maintenance yards. The cranes are located mostly at the Regional Rebuild Center, bus-operating divisions, the Red Line, Blue line, Green Line and Gold line maintenance facilities. This material handling and lifting equipment range from 300 lbs to 10 tons in lifting capacity. The cranes are utilized by maintenance personnel in performing maintenance operations throughout the authority’s maintenance shops in the repair of rail cars and bus equipment.

In April 2004, a contract was awarded to CraneVeyer, Inc., to conduct semiannual inspections of Authority’s overhead cranes at bus and rail operating divisions. Following these inspections, any repair or maintenance work needed for the cranes will be performed under this contract that is recommended for award to Ace Crane Service, Inc. The inspection and repair of the cranes were put under two separate contracts in order to avoid any conflict of interest between identifying defects on the cranes and correcting those same defects. As with any mechanical equipment with moving parts, these cranes sustain wear and tear as they are used on a regular basis thus creating the need for maintenance and repair.

Before the procurement of the aforementioned contracts with Ace Crane and CraneVeyor, the inspection and repair of the cranes were performed under multiple purchase orders that were procured and managed by the individual maintenance shops at each location. Bringing the inspection and maintenance of all Authority's cranes under just two contracts provides economies of scale, operational efficiencies and cost savings.

FINANCIAL IMPACT

The funding of \$37,544 for this service is included in the FY05 budget in cost center 3344, Contracts & Administration under project 300011, project 300022, project 300033, project 300044 and project 300055, line item 50308, contracts and professional services. Since this item is for multi-year contract, the Cost Center Manager and Deputy Executive Officer will be accountable for budgeting the amount in future years. In FY04, \$xxx was expended on this activity.

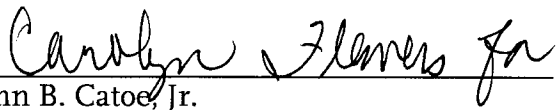
ALTERNATIVES CONSIDERED

One alternative considered is to continue utilizing multiple purchase orders to provide the service. This is not a cost effective option to the MTA. Another alternative considered is to provide the service in-house. There are currently no trained and certified maintenance personnel to perform this task. This will require the hiring and training of additional personnel. This is not a cost effective option for the MTA.

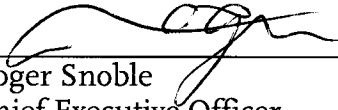
ATTACHMENT(S)

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors
- A-3. Bid Tabulation

Prepared by: Denise Longley, Deputy Executive Officer, Facilities - Operations
Hussein Farah, Facilities Maintenance Manager
Otto Ojong, Senior Buyer



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

OVERHEAD CRANES MAINTENANCE AND REPAIR SERVICES

1.	Contract Number: OP33441513		
2.	Recommended Vendor: Ace Crane Service, Cudahy, California		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$202,750	Recommended Price: \$202,750	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Time and Materials		
5.	Procurement Dates:		
	A. Issued: 3/29/04		
	B. Advertised: 3/29/04		
	C. Pre-bid Conference: N/A		
	D. Bids Due: 4/30/04		
	E. Pre-Qualification Completed: 5/14/04		
	F. Conflict of Interest Form Submitted to Ethics: 5/06/04		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A. Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 3	Bids Picked up: 3	Bids Received: 3
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid Amount:</u>	<u>Best and Final Offer Amount:</u>
	1. Ace Crane Service	\$202,750	N/A
	2. North American Crane	\$216,000	
	3. PB Crane	\$257,500	
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 6/22/04		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Otto Ojong	Telephone Number: 213-922-1454	
11.	Project Manager: Hussein Farah	Telephone Number: 213-922-8877	

**ATTACHMENT A-1
PROCUREMENT HISTORY**

OVERHEAD CRANES MAINTENANCE AND REPAIR SERVICES

A. Background on Contractor

The responsive and responsible low bidder, Ace Crane Service, Inc. is located in Cudahy, California, and has been in the crane sales, maintenance and repair service business since 1982. Ace Crane Service has provided crane maintenance and repair service to other agencies including the City of Los Angeles, Orange County Transportation Authority and the U.S. Marines Twenty-Nine Palms base. In the past, Ace Crane Service has provided satisfactory service to the MTA.

B. Procurement Background

Invitation for Bid (IFB) No. OP33441513 was released on March 29, 2004 and advertised on the same date. The bid deadline was April 30, 2004. Three firms submitted bids prior to the stated deadline.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a DBE goal for this procurement. Based on industry practice, the Prime (Ace Crane) is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if Ace Crane utilizes the services of subcontractors, they are expected to afford maximum opportunities to DBE firms in all subcontracting and supply services areas throughout the life of the contract.

C. Evaluation of Proposals

In accordance with Metro Procurement policies and procedures, staff performed an evaluation of the bids that were received. Ace Crane Service, the lowest responsive, responsible bidder was found to be in full compliance with the bid specifications.

D. Cost/Price Analysis

The recommended bid price of \$202,750 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

**ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

OVERHEAD CRANES MAINTENANCE AND REPAIR SERVICES

PRIME CONTRACTOR – Ace Crane Service, Inc.

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0.0%

**ATTACHMENT A-3
 BID TABULATION**

OVERHEAD CRANES MAINTENANCE AND REPAIR SERVICES

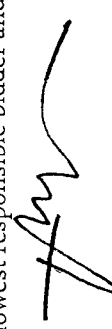
Bids Out: 03/29/04 Total 1
 Bids Opened: 04/30/04 Total 3
 No Bids: 0
 Advertisement Date(s): 03/27/04
 Newspaper: Daily News, Rafu Shimpo,
 La Opinion and LA Sentinel

		Ace Crane Service				
Description	Est. Hours	Years 1-3	Year 4 (1st Option)	Year 5 (2nd Option)	Total 5 Years	
As Needed Labor and Material Cost	1,500	\$119,250.00	\$41,250.00	\$42,250.00	\$202,750.00	
Total Bid Price						
		North American Crane Co.				
Description	Est. Hours	Years 1-3	Year 4 (1st Option)	Year 5 (2nd Option)	Total 5 Years	
As Needed Labor and Material Cost	1,500	\$124,500.00	\$45,000.00	\$46,500.00	\$216,000.00	
Total Bid Price						
		PB Crane Inc.				
Description	Est. Hours	Years 1-3	Year 4 (1st Option)	Year 5 (2nd Option)	Total 5 Years	
As Needed Labor and Material Cost	1,500	\$154,500.00	\$51,500.00	\$51,500.00	\$257,500.00	
Total Bid Price						

I hereby certify Ace Crane Service, Inc. as being the lowest responsible bidder and recommend the award to them for total price, including sales tax, of \$202,750.00.

5-14-04

Date



Signature