One Gateway Plaza Los Angeles, CA 90012-2952





OPERATIONS COMMITTEE APRIL 20, 2006

SUBJECT: POWER SWEEPING SERVICES FOR METRO TRANSIT FACILITIES

ACTION: MODIFY EXISTING CONTRACT TO ADD ORANGE LINE REQUIREMENTS

RECOMMENDATION

Authorize the Chief Executive Officer to execute Modification No. 2 to Contract No.OP33440662 with Nationwide Environmental Services to provide power sweeping services for Metro Orange Line facilities for a period of 27 months, in an amount not-to-exceed \$551,500, increasing the existing not-to-exceed contract amount from \$2,585,391 to \$3,136,891.

RATIONALE

Contract No. OP33440662 provides existing power sweeping services for Metro bus and rail operating facilities and rights-of-way. Facilities covered under this contract include bus division yards, bus layover areas, terminals, transit stations park-and-ride lots, busways, and street running sections of light rail lines. Frequent sweeping of the Metro transit facilities is necessary in order to keep them sanitary for public and employees use.

When the contract was awarded in February 2003, it did not include coverage for the Orange Line since the scope of those requirements was not known at the time. When the bus rapid transit line began operating in October 2005, a limited notice to proceed was issued using Board approved contingency funding to begin servicing the busway and the passenger stations until the contract could be formally amended. The subject modification will provide regular power sweeping services for six Orange Line Park-N-Ride lots and 28 curb-miles of sweeping service for the Orange Line busway. The 27–month period represents Metro's Orange Line sweeping service from start-up through current contract expiration in January 2008.

IMPACT TO OTHER CONTRACTS

There is no known impact to other contracts.

FINANCIAL IMPACT

The funding of \$166,400 for Orange Line service is included in the FY06 budget in cost center 3344, Contracts & Administration under project 301012 (Orange Line). Since this is a multi-year contract, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in future years. In YTD FY06, \$83,560 was expended on this activity for servicing the Orange Line.

ALTERNATIVES CONSIDERED

One alternative considered is to provide the service in-house. This would require the hiring of additional personnel and the purchase of additional equipment, vehicles and supplies. Staff's analysis indicates that this is not a cost-effective option for Metro.

ATTACHMENTS

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- Prepared by: Brady Branstetter, Director, Facilities Maintenance Hussein Farah, Facilities Maintenance Manager Victor Ramirez, Contract Administration Manager

John B. Catoe, Jr. Deputy Chief Executive Officer

Roger Snoble U Chief Executive Officer

BOARD REPORT ATTACHMENT A PROCUREMENT SUMMARY

POWER SWEEPING FOR ORANGE LINE

1.	Contract Number: OP33440662				
2.	Recommended Vendor: Nationwide Environmental Services, Inc.				
3.	Cost/Price Analysis Information:				
	A. Proposed Price:		Recommend	led Price:	
	\$590,658		\$551,500		
	B. Details of Significant Variances are in Attachment A-1.D				
4.	Contract Type: Firm Fixed Unit Rate				
5.	Procurement Dates:				
	A. Issued: N/A				
	B. Advertised: N/A				
	C. Pre-bid Conference: N/A				
	D. Bids Due: N/A				
	E. Pre-Qualification Completed: N/A				
	F. Conflict of Interest Form Submitted to Ethics: October 28, 2002				
6.	Small Business Participation:				
	A. Bid Goal:		Date Small Bu	siness Evaluation	
	2%				
	B. Small Business Commitment: 2% Details are in Attachment A-2				
L					
7.	Invitation for Bid Data:				
	Notifications Sent:				
	N/A				
8.	Evaluation Information:				
	A. Bidders/Proposers Names:		<u>Proposed</u>	Best and Final Offer	
			Amount:	Amount:	
	Nationwide Environmental Services		\$590,658	\$551,500	
	B. Evaluation Methodology:				
9.	Protest Information:				
	A. Protest Period End Date: N/A				
	B. Protest Receipt Date: N/A				
	C. Disposition of Protest Date: N/A				
10.	Contract Administrator:		Felephone Num	iber:	
	Victor Ramirez		213) 922-1059		
11.			Telephone Number:		
	Hussein Farah	- ((213) 922-8877		

BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

POWER SWEEPING FOR ORANGE LINE

A. <u>Background of Contractor</u>

Nationwide Environmental Services (NES) specializes in providing quality sweeping services using state of the art equipment and is headquartered in Norwalk, California. Nationwide has been providing sweeping services since 1968. Some of their current municipal customers include the County of Los Angeles, City of Carson, El Monte, Huntington Beach, Montebello, and Norwalk.

NES's performance at the Metro under its existing contract, OP33440662, has been satisfactory to date.

B. Procurement Background

Metro awarded a 5-year contract to NES in February 2003 worth \$2,341,935, including \$212,909 in contingency funding, to provide power sweeping services on all existing bus and rail facilities in operation at that time. In February 2004 the Board approved Contract Modification No. 1, in the amount of \$243,456, to add service for the Metro Gold Line. A Limited Notice to Proceed was issued on October 24, 2005 to begin Orange Line Services, allowing the parties opportunity to negotiate a fair and reasonable change order to the Contract. Funding for the interim services was derived from contingency funding authorized by the Board under the original contract award. The value of Contract Modification No. 2 required a formal audit and negotiations of the Contractor's proposal. The audit was completed on February 28, 2006 and a negotiated price was agreed upon on March 9, 2006.

C. <u>Evaluation of Bids</u>

This Contract Modification was determined to be a justified non-competitive change to the existing Contract in accordance with Procurement Policies and Procedures.

D. Cost Analysis and Explanation of Variances

The recommended price of \$551,500 has been determined to be fair and reasonable based upon fact finding, MASD audit and negotiations conducted by both parties at the cost element level. The negotiation yield of 7.1% is considered adequate based on price volatility in CNG fuel prices that create high risks for the Contractor. Terms to protect the Contractor against runaway price commodity increases have been added to the Contract, but all moderate CNG fuel escalation remains the Contractor's risk under this firm fixed price unit rate contract.

BOARD REPORT ATTACHMENT A-2 LIST OF SUBCONTRACTORS

POWER SWEEPING FOR ORANGE LINE

PRIME CONTRACTOR –

Nationwide Environmental Services, Inc.

Small Business Commitment

Patten Energy Enterprises, Inc. 2%