



Metro

Los Angeles County
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

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**OPERATIONS COMMITTEE
OCTOBER 16, 2008**

SUBJECT: BUS – REAR AXLE PLANETARY FINAL DRIVE ASSEMBLY KITS

ACTION: AWARD CONTRACT FOR BUS – REAR AXLE PLANETARY FINAL DRIVE ASSEMBLY KITS

RECOMMENDATION

Authorize the Chief Executive Officer to award a 24-month, firm fixed price contract under Bid Number 09-0008 to Gillig Corporation, LLC, the lowest responsive, responsible bidder for the procurement of 200 bus – rear axle planetary final drive assembly kits for an amount not to exceed \$778,509 inclusive of sales tax and a one-year option.

RATIONALE

The bus – rear axle planetary final drive assembly kits are needed as part of the components that are being updated as a function of the midlife program for the 5300 series New Flyer low floor buses. The rear axle planetary final drive assembly serves to transfer power from the drive shaft through the differential to the wheels. Each kit includes the components necessary to rebuild both ends of the rear axle.

The bus – rear axle planetary final drive assembly kits will be maintained in inventory and managed by Material Management. While the majority of the kits will be used in the Mid-life program, each of the operating divisions which operate the 5300 series buses will maintain bus – rear axle planetary final drive assembly kits in their stock rooms based on their individual consumption requirements. As the kits are issued the appropriate Sector's budget project numbers and accounts are charged.

FINANCIAL IMPACT

The funding of \$498,246 for bus – rear axle planetary final drive assembly kits is included in the FY09 budget in cost center 3442, Repair and Refurbish, under Capital Project #203006, FY09 Bus Midlife Program, under line item 50441, Parts Revenue Vehicle. Funding is also included in the FY09 budget in multiple bus operating cost centers and various operating projects.

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. In FY08, no funds were expended in this category.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and continue procuring bus – rear axle planetary final drive assembly kits on an as-needed basis at a higher cost. This approach is not recommended since it does not provide a commitment from the suppliers to ensure availability and price stability.

ATTACHMENTS

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

Prepared By: T. Allen, Procurement Planning Administrator
J. Roberts, Deputy Executive Officer, Operations

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Roger Snoble

Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

BUS –REAR AXLE PLANETARY FINAL DRIVE ASSEMBLY KITS

1.	Contract Number: 09-0008		
2.	Recommended Vendor: Gillig Corporation, LLC, 25800 Clawiter Road, Hayward, CA 94545		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$ 778,509	Recommended Amount: \$778,509	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 8/19/08		
	B. Advertised: 8/20/08		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: 9/8/08		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation: 0%		
	A. Bid/Proposal Goal: 0% No goal recommended	Date Small Business Evaluation Completed:N/A	
	Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 15	Bids/Proposals Picked up: 15	Bids/Proposals Received: 3
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Gillig Corporation, LLC New Flyer Industries Truck Trailer Transit	<u>Bid/Proposal Amount:</u> \$778,509 \$819,741 \$837,855	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: October 13, 2008		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018	
11.	Project Manager: Cathy Kaminski	Telephone Number: 213/922-5713	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

BUS –REAR AXLE PLANETARY FINAL DRIVE ASSEMBLY KITS

A. Background on Contractor

The responsive and responsible low bidder, Gillig Corporation, LLC, is located in Hayward, CA and has been in the bus parts business since 1890. Gillig Corporation, LLC has distributed parts to other agencies, including Orange County Transportation Authority, Long Beach Transit, San Diego Transit, and Utah Transit Authority. In the past, Gillig Corporation LLC has provided satisfactory service and delivery of transit parts to us.

B. Procurement Background

Evaluation of the three bids received was based on the submittal of offers for our approved manufacturer part numbers. All bids were found to be responsive to the bid requirements and technical specifications.

The Diversity and Economic Opportunity Department did not recommend a Disadvantaged Anticipated Levels of Participation (DALP) participation goal for this procurement.

C. Evaluation Criteria

Technical review and selection of the lowest responsive, responsible bidder.

Bidder #1 Gillig Corporation, LLC in the amount of \$778,509 is in full compliance to the technical specifications and the bid requirements.

Bidder #2 New Flyer Industries in the amount of \$819,741 is in full compliance to the technical specifications and the bid requirements.

Bidder #3 Truck Trailer Transit in the amount of \$837,855 is in full compliance to the technical specifications and the bid requirements.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$778,509 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. Price savings based on historical figures is \$18,301.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

BUS –REAR AXLE PLANETARY FINAL DRIVE ASSEMBLY KITS

PRIME CONTRACTOR – Gillig Corporation, LLC

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0%

BID TABULATION

Bids Out: 08/19/08 Total 15
 Bids Opened: 09/08/08 Total 3
 Advertisement Date(s): 08/20/08
 Newspaper: Daily News

Item No.	MTA Part Number	Description	Qty	Unit	Gillig Corporation LLC		New Flyer Industries		Truck-Trailer-Transit	
					Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	181728	Kit-Rear Axle Planetary Final Drive Assembly	100	EA	\$3,424.65	\$342,465.00	\$3,606.00	\$360,600.00	\$3,870.00	\$387,000.00
		Sub Total				\$342,465.00		\$360,600.00		\$387,000.00
		Sales Tax 8.25%				\$28,253.36		\$29,749.50		\$31,927.50
		12 Month Total				\$370,718.36		\$390,349.50		\$418,927.50
		OPTION YEAR								
1	181728	Kit-Rear Axle Planetary Final Drive Assembly	100	EA	\$3,767.12	\$376,712.00	\$3,966.67	\$396,667.00	\$3,870.00	\$387,000.00
		Sub Total				\$376,712.00		\$396,667.00		\$387,000.00
		Sales Tax 8.25%				\$31,078.74		\$32,725.03		\$31,927.50
		Option Year Total				\$407,790.74		\$429,392.03		\$418,927.50
		GRAND TOTAL 12 MONTH AND OPTION YEAR				\$778,509.10		\$819,741.53		\$837,855.00

I hereby certify Gillig Corporation, LLC as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$ 778,509.10

9/26/08
Date

Richard A. Beckman
Signature

