



Metro

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
MARCH 16, 2006**

**SUBJECT: CONTRACT NO. OP33441808, HVAC DUCT CLEANING SERVICES
WATERS ENVIRONMENTAL SERVICES & TECHNOLOGIES
CORPORATION**

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

Authorize the Chief Executive Officer to award a five-year firm, fixed, unit rate contract, Contract No. OP33441808 to Waters Environmental Services & Technologies Corporation, to provide Heating, Ventilation and Air Conditioning (HVAC) duct cleaning services for Metro transit facilities in an amount not-to-exceed \$412,820, inclusive of two one-year options, effective April 1, 2006.

RATIONALE

This contract will replace annual blanket purchase orders that previously provided HVAC duct cleaning services on an as-needed basis to approximately 47 Metro-owned transit operations facilities. These operating facilities consist of administrative offices, bus and rail maintenance shops and transportation buildings. In order to reduce the recurring cost of procuring annual purchase orders, staff recommends the award of a multi-year contract to provide the service.

As has been the case under annual purchase orders, the proposed multi-year contract will provide as-needed cleaning and sanitizing services to the heating and ventilation systems ductwork in Metro buildings to safeguard the health of Metro employees. The facilities that will be served are often located on high traffic streets or near freeways, which cause higher levels of dust and other particulate matter to accumulate in their HVAC ductwork. A periodic inspection and cleaning of the HVAC ductwork of these operating facilities is necessary in order to ensure clean indoor air quality for the employees that work in them. Airborne dust and particulate matter, if not mitigated, could aggravate conditions or trigger reactions in people with preexisting conditions such as asthma, allergies and other respiratory problems. Lengthy exposure to unhealthy indoor air could also pose a danger to healthy people. The scope of work under this contract helps to mitigate this risk.

FINANCIAL IMPACT

The funding of \$55,000 for this service is included in the FY06 budget and funding of \$73,000 in the FY07 budget submittal for cost center 3344, Contracts & Administration under project 300011 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations) and 300055 (Gold Line Operations).

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, including any options exercised. In FY05, \$37,473 was expended on this service.

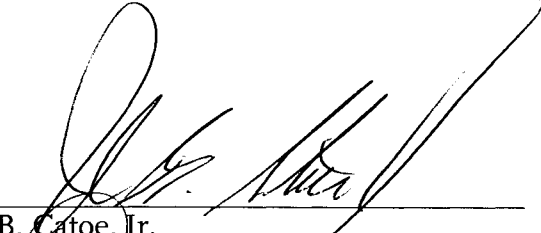
ALTERNATIVES CONSIDERED

One alternative considered was to provide the service in-house utilizing ATU HVAC technicians. Staff does not recommend this option because the work needs special training and certification. This would also require the hiring of additional personnel and the purchase of additional equipment, vehicles, supplies and training. This would not be the most cost effective option for this agency.

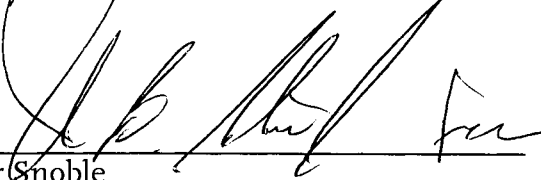
ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared by: Brady Branstetter, Director Facilities Maintenance
Hussein Farah, Facilities Maintenance Manager
Tom Butler, Senior Contract Administrator



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

HVAC DUCT CLEANING

1.	Contract Number: OP33441808		
2.	Recommended Vendor: Waters Environmental Services & Technologies Corp		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$412,820	Recommended Price: \$412,820	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Unit Rate		
5.	Procurement Dates:		
	A. Issued: 01.05.06		
	B. Advertised: 01.07.06 01.10.06 01.12.06		
	C. Pre-proposal Conference: 01.12.06		
	D. Proposals Due: 01.30.06		
	E. Pre-Qualification Completed: 02.09.06		
	F. Conflict of Interest Form Submitted to Ethics: 02.13.06		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: Five (5) % DBE	Date Small Business Evaluation Completed: 02.02.06	
	B. Small Business Commitment: 5.01% Details are in Attachment A-2		
7.	Invitation for Bid Data:		
	Notifications Sent: 8	Bids Picked up: 8	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. <u>Bidders Names:</u> Waters Environmental Services California Power Vac	<u>Bid Amount:</u> \$412,820 \$562,000	<u>Best and Final Offer</u> Not applicable Not applicable
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 03.14.06		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Tom Butler	Telephone Number: 213-922-7312	
11.	Project Manager: Hussein Farah	Telephone Number: 213-922-8877	

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

HVAC DUCT CLEANING

A. Background on Contractor

Waters Environmental is a small business located in South El Monte, California and has been in business for twelve years. The firm provides duct and industrial cleaning service to industrial and commercial customers. Overall annual sales as listed in their current D&B report are \$1,000,000. Metro prior experience with Waters over seven years ago indicated they required project oversight. Recent discussions with several references including San Francisco General Hospital, Cedars Sinai Medical Center in Los Angeles and several others indicate they are a capable and reliable source for these type services. However, based on our previous experience, their performance will be monitored closely.

B. Procurement Background

This procurement was handled as a competitive sealed bid under Invitation to Bid No. OP33441808, which requires the contract to be awarded to the lowest-priced, responsive, responsible bidder. The base period is three years plus two one-year options for a total possible contract period of five years.

The Diversity and Economic Opportunity Department (DEOD) recommended a 5% Disadvantaged Business Enterprise (DBE) participation goal for this procurement.

C. Evaluation of Proposals

This procurement is in compliance with Procurement Policies and Procedures and was handled as a competitive sealed bid. Waters Environmental possesses the required California State C-20 Warm-Air Heating, Ventilation and Air Conditioning Contractor License and was determined to be the lowest priced, responsive, and responsible bidder and is technically qualified to perform the required services.

The other bidder, California Power Vac, was also determined to be responsive, responsible and technically qualified.

D. Cost/Price Analysis Explanation of Variances

The recommended price, which was submitted in a competitive environment, has been determined to fair and reasonable based upon price analysis.

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

HVAC DUCT CLEANING

PRIME CONTRACTOR

Waters Environmental Services & Technologies Corp.

Small Business Commitment

Other Subcontractors

Blue Eagle Enterprises 5.01%

None

Total Commitment 5.01 %.