



OPERATIONS COMMITTEE
NOVEMBER 17, 2005

SUBJECT: BUS TRANSMISSIONS

ACTION: AWARD CONTRACT FOR NEW BUS TRANSMISSIONS

RECOMMENDATION

A. The Board finds the bids received for new Allison B400R WTECIII bus transmissions under Public Utilities Code section 130232 have been rejected and new bus transmissions may be purchased at a lower price on the open market. The Board hereby authorizes purchase of new Allison B400R WTECIII bus transmissions on the open market pursuant to Public Utilities Code section 130233.

Requires Two-Thirds Vote

B. Authorize the Chief Executive Officer to purchase on the open market from Valley Power Systems no more than 200 new Allison B400R WTECIII bus transmissions at a unit price of \$14,788 each for a cumulative amount not to exceed \$3,201,602 inclusive of sales tax.

RATIONALE

The Regional Rebuild Center (RRC) has identified requirements for the purchase of 200 new Allison B400R WTECIII bus transmissions during FY06. Metro sealed bid 06-0004 for the purchase of 200 new Allison B400R WTECIII bus transmissions was opened on September 22, 2005. The Invitation for Bids requested pricing for a firm order for 100 new transmissions and an option for 100 additional transmissions to be delivered over a 24-month period. A single bid was received from Valley Power Systems, the exclusive Southern California distributor for Allison transmissions, quoting a price of \$15,995 each. An exception letter was included stating the original equipment manufacturer will stop production of transmissions with the WTECIII electronic controls system utilized by Metro coaches on June 30, 2006 and requested final production orders no later than December 31, 2005. Metro has purchased this transmission for \$14,788 each as recently as October 2005. Valley Power Systems has stated they will maintain the current price through the end of 2005. Metro will be purchasing these transmissions before December 31, 2005.

Industry standard is to replace failed transmissions with rebuilt transmissions. The current labor contract between Metro and ATU contains provisions prohibiting the purchase of

rebuilt bus transmissions. This procurement of 200 transmissions will supplement the RRC in-house rebuild program for failed transmissions by bringing the transmission stock up to the forecasted level of 645 transmissions for FY06 while establishing an adequate core bank safety stock level. The RRC plans to rebuild 545 transmissions in FY06.

ALTERNATIVES CONSIDERED

The alternative is to accept the sealed bid price of \$15,995 for each new transmission. This strategy is not recommended since the sealed bid price exceeds the price available on the open market.

FINANCIAL IMPACT

Funding of \$3,201,602 for this procurement is included in the FY06 Budget in Cost Centers 3503, 3508, 3515, 3601, 3609, 3706, 3707, 3710, 3802, 3805, 3818, 3441, 3442, and 3443 under Line item number 50441 – M/S Parts – Revenue Vehicles. Applicable project numbers are 300011, 300050, 301008, 301012, 302008, 303008, 304008, and 305008.

In FY05 zero funds were spent on new bus transmissions.

ATTACHMENTS

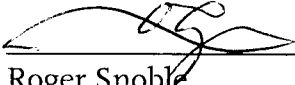
A. Procurement Summary

A-1. Procurement History

Prepared by: Brian J. Collins, Purchase Contract Manager
Milo Victoria, Deputy Executive Officer Operations



For John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

NEW BUS TRANSMISSIONS

1.	Contract Number: 06-0004		
2.	Recommended Vendor: Valley Power Systems		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$3,462,918	Recommended Price: \$3,201,602	
	B. Details of Significant Variances: See ISSUE paragraph		
4.	Contract Type: Unit fixed price		
5.	Procurement Dates:		
	A. Issued: August 30, 2005		
	B. Advertised: August 31, 2005		
	C. Pre-bid/proposal Conference: N/A		
	D. Bids/Proposals Due: September 22, 2005		
	E. Pre-Qualification Completed: September 19, 2005		
	F. Conflict of Interest Form Submitted to Ethics: October 21, 2005		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed:	
	B. Small Business Commitment:		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 24	Bid/Proposals Picked up: 0	Bid/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders Names: Valley Power Systems	<u>Bid Amounts:</u> \$3,462,918	<u>Best and Final Offer Amount:</u> *3,201,602 * open-market price
	Evaluation Methodology: Lowest responsive and responsible bidder		
9.	Protest Information:		
	A. Protest Period: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Joanne Cummings	Telephone Number: 922-1035	
11.	Project Manager: Milo Victoria	Telephone Number: 922-5042	

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

NEW BUS TRANSMISSIONS

A. Background on Contractor

Valley Power Systems is one of the largest distributors of Allison transmission parts in North America. Valley Power Systems ranks third among Metro vendors ranked by transaction volume and sixth among Metro vendors ranked by dollar amount.

Valley Power Systems has provided satisfactory service and supplies to Metro.

B. Procurement Background

The Diversity and Economic Opportunity Department did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement.

Pursuant to the DBE Program, if the awardee proposes to utilize the services of subcontractors, Primes are expected to afford maximum opportunities to DBEs in all subcontractor supplier service areas. Upon Metro's request, Primes are also requested to submit documentation to demonstrate that good faith efforts are made to utilize DBEs throughout the life of the contract.

C. Evaluation Criteria

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

D. Cost/Price Analysis Explanation of Variances

The recommended open market price of \$14,788 each has been determined to be fair and reasonable based upon previous purchase.