



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: VERTICAL STORAGE CAROUSELS

ACTION: AWARD CONTRACT FOR VERTICAL STORAGE CAROUSELS

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed-price contract under Bid 03-0020 to A & P Development and Construction ("A & P"), the lowest responsive, responsible bidder to furnish, deliver and install storage carousel systems for a total price of \$592,828, inclusive of sales tax and an option to move existing carousel.

RATIONALE

Material Management has the responsibility to manage, protect and secure MTA's investment and provide material and supplies needed to support Rail Operations' increasing repair activities. Material Management staff has determined this project is necessary to increase warehouse storage capability at MTA Divisions 11, 21 and 22 (Blue, Green and Gold Lines). The project includes the installation of a vertical carousel system that will provide approximately 600 square feet of storage space.

We have seen increased parts demand on Metro Rail's Blue and Green Lines, which has filled the existing carousel. A second vertical carousel at each location enables Material Management staff to store the additional parts and supplies to effectively meet the increasing demand. The new Gold Line warehouse has a small 3500 square feet footprint. To compensate for this, the vertical carousel provides additional space for small components by utilizing the warehouse's major asset, its height. The carousel reduces a potential need for expansion when the P2550 cars arrive.

This award is for the purchase of four complete carousel retrieval and storage systems, White model 2400. The purchase includes the carousel equipment, installation, and operational software. The vendor will furnish, deliver, install and warrant each storage carousel system according to the specifications.

These high-density automated storage carousels will allow the MTA to maximize the available storage space, reduce pilferage, support increased inventory accuracy and enable material management to respond to user requests more quickly. The equipment will also allow more efficient use of existing resources and promote process improvement in cycle counts and storage/retrieval activities.

The carousels are projected to be delivered by January 2004 and installed by March 2004.

FINANCIAL IMPACT

The funding of \$592,828 for this procurement is included in the FY04 budget in cost center 6350, Logistics, under project number 200305, Gold Line Capital Projects, CP 3105000.

ALTERNATIVES CONSIDERED


Several alternatives were considered: horizontal carousels, such as used at Rail MOW locations, as well as standard shelving. Both alternatives were far less desirable because of warehouse floor space restrictions. A horizontal carousel would consume 60 to 70% of available floor space, and standard shelving 90%. The vertical carousels consume 10% of floor space, and make full utilization of the high ceilings in the warehouses.

Carousels from other manufacturers were considered. A requirement of the M3 Maintenance and Material Management System, which was awarded by the Board on January 23, 2003, is for direct control of carousels at warehouses. Introducing a carousel manufactured by a vendor not currently used would alter the scope of the M3 contract, increasing its costs to the MTA, to meet our needs. Staff does not recommend this.

ATTACHMENTS

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

Prepared by: William Kovach, Materiel Manager
David Vila, Contract Administration Manager



Lonnie Mitchell
Executive Officer
Procurement and Material Management



Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

VERTICAL STORAGE CAROUSELS

1.	Contract Number: 03-0020		
2.	Recommended Vendor: A & P Development and Construction, Torrance, California		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$592,828	Recommended Price: \$592,828 (includes a \$25,000 option to remove existing equipment)	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 3/26/03		
	B. Advertised: 3/26/03		
	C. Pre-bid Conference: 4/17/03		
	D. Proposals/Bids Due: 5/22/03		
	E. Pre-Qualification Completed: Yes		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 20% DBE	Date Small Business Evaluation Completed: 8/26/03	
	Small Business Commitment: 71% DBE		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 6	Bids/Proposals Picked up: 19	Bids/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: A & P Development and Construction, Inc.	Bid/Proposal Amount: \$592,828	Best and Final Offer Amount: N/A
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: 9/23/03		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Otto Ojong	Telephone Number: 213-922-1454	
11.	Project Manager: Bill Kovach	Telephone Number: 626-401-0201	

**ATTACHMENT A-1
PROCUREMENT HISTORY**

VERTICAL STORAGE CAROUSELS

A. Background on Contractor

The responsive and responsible low bidder, A & P Development and Construction, is located in Torrance, California, and has been in the construction business since 1988. A & P has completed project improvements to other agencies including the Long Beach Water Department, Long Beach Transit and Nippon Sharyo U.S.A. In the past, A & P has provided satisfactory service to the MTA.

B. Procurement Background

In accordance with the MTA's Procurement Policies and Procedures, staff performed a technical evaluation of the bid that was received. The bid submitted by A & P Development and Construction was found to be in full compliance with the specifications.

The Diversity and Economic Opportunity Department (DEOD) established a 20% Disadvantaged Business Enterprise (DBE) goal for this contract. The recommended awardee, A & P Development and Construction, committed to 71.0% DBE participation goal.

C. Evaluation of Proposal

A & P Development and Construction was found in full compliance to the technical and the bid specifications and has committed to a 71.0% DBE goal.

Because only one bid was received, other potential bidders were surveyed to determine why they did not bid. The equipment manufacturer stated it was reluctant to accept liability on a contract for which it was not the installer and it would be required to subcontract installation to meet the DBE goal. The manufacturer will be the supplier and installer for the successful contractor.

McCombs-Wall, the successful bidder on MTA contract 01-0203 for horizontal carousels indicated it was reluctant to bid because it had had difficulty managing its subcontract installer on that contract and had not achieved its desired operating margin.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon cost/price analysis conducted by the Estimating Department.

Bid/Proposal	MTA Estimate	Recommended/Negotiated Amount
\$567,828, exclusive of option to remove existing equipment	\$553,940	N/A

**ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

VERTICAL STORAGE CAROUSELS

PRIME CONTRACTOR – A & P Development and Construction

Small Business Commitment

Robnett Electric	3.0%
A & P Development and Construction – A DBE Prime	<u>68.0%</u>
Total Commitment	<u>71.0%</u>

**BOARD REPORT ATTACHMENT A-3
 BID TABULATION**

VERTICAL STORAGE CAROUSELS

Bids Out: 03/26/03 Total 6
 Bids Opened: 05/22/03 Total 1
 No Bids: 1
 Advertisement Date(s): 03/25/03
 Newspaper: Daily News, La Opinion and LA
 Watts

Item	Description	Qty	Unit Price	8.25% Sales Tax	Installation	Extended Price
1	Division 11 Carousels	1	\$132,745.00	\$10,951.46	\$20,680.00	\$164,376.46
2	Division 21 Carousels-A	1	\$104,778.00	\$8,644.19	\$16,786.00	\$130,208.19
3	Division 21 Carousels-B	1	\$93,577.00	\$7,720.10	\$16,943.00	\$118,240.10
4	Division 22 Carousels	1	\$124,127.00	\$10,240.48	\$20,636.00	\$155,003.48
5	Option					\$25,000.00
Total Bid						\$592,828.23

A & P Development and
 Construction

"No Bid" Received from ATD-American Co.

I hereby certify A & P Development and Construction as being the lowest responsible bidder and recommend the award to them for total price, including sales tax, of \$592,828.

8-15-03

Date



Signature