



Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: DELETION OF HIGH VELOCITY AIR  
BLOWERS AT MTA BUS DIVISIONS**

**ACTION: AUTHORIZE A CREDIT CONTRACT CHANGE  
ORDER IN THE AMOUNT OF (\$303,390.00)**

**RECOMMENDATION**

Authorize the Chief Executive Officer to execute Change Order No. 1.00 to Contract No. OP33410654, with N/S Corporation for the deletion of High Velocity Air Blowers on the Bus Interior Bellows Upgrade contract in the credit amount of \$303,390, reducing the total contract value from \$1,499,500 to \$1,196,110.

**RATIONALE**

The Board awarded a contract to N/S Corporation in October 2002 for upgrades to all MTA bus division vacuum facilities, including replacement of bellow systems and installation of high velocity air blowers. A high velocity air blower system was first installed as part of a new model vacuum bellows system at Division 3. The high velocity air blower, with a 45-foot minimum length of 2-inch diameter PVC hose and cleaning wand, was intended to improve on the time needed to clean bus interiors. The system did not perform as intended and the service attendants preferred to use the original blow down system using compressed air. The new system was too bulky, provided little air pressure, was not very maneuverable and increased the time required to properly clean a bus interior.

The purpose of the high velocity air blowers was to improve the cleanliness of our buses and increase efficiency. The high velocity blowers were tested at Divisions 3 and 6. However, these blowers did not meet our expectations. Bids on Contract OP-33410654 had already been received when the decision was made to delete the high velocity air blower from all the divisions contained in the contract. Since the contract award, we have worked with the vendor to not only get a credit for the 18 high velocity air blowers in the base contract, but to also get a credit for the 20 high velocity air blowers in the option contract. The negotiated price for the deletion of the high velocity air blowers in the base contract was \$7,984 each. Therefore, the vendor has issued to the MTA a change order credit in the amount of \$303,390. Staff will continue utilizing the original air compressed system in the interim until a better process can be established.

## **IMPACTS TO OTHER CONTRACTS**

There are no impacts to other contracts or contractors as a result of the recommendation.

## **FINANCIAL IMPACT**

The negotiated settlement results in a total decrease of \$303,390 to the awarded contract value and was applied to funding the 20 Vacuum Bellows contained in the contract option.

Funding for this action was included in the FY03 Budget in Cost Center 3341 Facility Services under Project No. 200029, Bus Vacuum System Upgrade and Replacement Program.

## **ALTERNATIVES CONSIDERED**

The MTA Board may reject the requested Change Order. This is not recommended because the MTA would be required to expend funds for high velocity air blowers at the divisions.

## **ATTACHMENTS**

- A. Procurement Summary
- A-1. Procurement History
- A-2. Small Business Participation

Prepared by: Thomas H. Lee, Resident Engineer  
Timothy Lindholm, Project Manager, Facilities-Operations

*Carolyn James for*

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John B. Catoe, Jr.  
Deputy Chief Executive Officer

*[Signature]*

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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**DELETION OF HIGH VELOCITY AIR BLOWERS**

1.	Contract Number: OP3341-0654, Bus Interior Bellows System Upgrade		
2.	Recommended Vendor: N/S Corporation		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: (\$289,612)	Recommended Price: (\$303,390)	
	B. Details of Significant Variances: None		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: N/A		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 18.9% DBE	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: 18.9% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: Include no. N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names:  N/A	<u>Bid/Proposal Amount:</u> \$ N/A	<u>Best and Final Offer Amount:</u> \$ N/A
	B. Evaluation Methodology: N/A Details are in Attachment A-1.C		
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: Brian P. Mahaffey	Telephone Number: 922-7327	
11.	Project Manager: Thomas Lee	Telephone Number: 922-7284	

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

**DELETION OF HIGH VELOCITY AIR BLOWERS**

**A. Background on Contractor**

N/S Corporation Inglewood, California has been in business since 1961. Its major line of business is design and manufacturing of car, truck and bus wash equipment. N/S Corporation had a prior contract with the MTA for the installation of bus wash equipment at Divisions 3, 5, 10 & 18 and performance was satisfactory.

N/S Corporation has completed projects for Culver City Transit, Houston Metro, Foothill Transit, and Metropolitan Council Transit within the last three years, which were for bus wash equipment.

**B. Procurement Background**

Contract No. OP3341-0654 is a firm fixed-price, federally funded contract to replace and upgrade existing vacuum systems at Divisions 1, 2, 3, 4, 5, 7, 8, 9, 10, 15 and 18. The solicitation was issued as an Issued For Bid in August 2002. N/S Corporation was the lowest responsive and responsible bidder. The Board awarded the contract in October 2002. After start of construction in March 2003, Change Notices were sent to the Contractor for deletion of the air blower systems. Staff has completed independent cost estimates, cost/price analysis, audit, and negotiations, and are recommending award of this Change Order.

**C. Evaluation of Proposals**

Change Notices requesting proposals for the deletion of the High Velocity Air Blower and associated components were sent to the Contractor. In compliance with MTA Procurement policies and procedures, an Independent Cost Estimate was prepared and used to perform a Cost Analysis of the Contractor's Proposal. The proposals received were audited by MTA Management Audit Services Department. Based upon these pre-negotiations, plans were prepared and approved prior to negotiations. The deletion amount for the change order was then negotiated with the Contractor.

**D. Cost/Price Analysis Explanation of Variances**

The negotiated credit has been determined to be fair and reasonable based upon the Independent Cost Estimate, the Cost Analysis, and the results of the audits as well as the fact finding that occurred during the negotiation of the credit. The variance of \$24,968 (seven percent) between the MTA Estimate and the Negotiated Amount are costs, which were not included in the estimate.

<b>Bid/Proposal Amount</b>	<b>MTA Estimate</b>	<b>Recommended/Negotiated Amount</b>
(\$289,612)	(\$328,358)	(\$303,390)

**BOARD REPORT ATTACHMENT A-2  
SMALL BUSINESS PARTICIPATION (Contract #OP-3341-0654)**

**DELETION OF HIGH VELOCITY AIR BLOWERS**

The Contract has a Disadvantaged Business Enterprise (DBE) participation commitment of 18.92%. The contract was awarded to N S Corporation on February 10, 2003 and is 99% complete. Current DBE attainment<sup>1</sup> based on the current contract amount<sup>2</sup> is 14.16%. Current DBE participation<sup>3</sup> based on total actual amount paid-to-date to Contractor and total actual amount paid-to-date to DBE firms is 15.22%. Each of the listed DBE subcontractors is performing or has performed on the Contract as listed.

<b>Original Award Amount</b>	<b>\$1,499,500</b>
<b>Current Contract Amount<sup>2</sup></b>	<b>\$1,196,108</b>
<b>Total Actual Amount Paid to Date to Prime</b>	<b>\$1,113,243</b>

Subcontractor's Name	Commitment	Current Attainment <sup>1</sup>	Current Participation <sup>3</sup>	Current Status
Robnett Electronic, Inc.	13.99%	8.00%	8.59%	Performing
Solid Construction Co.	4.56%	5.71%	6.14%	Complete
Davis Freight Management	0.37%	0.45%	0.49%	Complete
<b>TOTAL</b>	<b>18.92%</b>	<b>14.16%</b>	<b>15.22%</b>	<b>Performing</b>

<sup>1</sup>Current Attainment = Total Actual Amount Paid-to-Date to Subs ÷ Total Current Contract Amount

<sup>2</sup>Current Contract Amount = Original Contract Amount + Contract Cost Modifications

<sup>3</sup>Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime