



Metro™

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**OPERATIONS COMMITTEE
MARCH 18, 2004**

SUBJECT: CONTRACT NO. PS33421482, FAREBOX REPAIR & MAINTENANCE SERVICES (STEIN INDUSTRIES, INC).

ACTION: AWARD A CONTRACT FOR FAREBOX REPAIR & MAINTENANCE SERVICES

RECOMMENDATION

Authorize the Chief Executive Officer to award a thirty (30) month, fixed-unit rate contract, Contract No. PS33421482, to Stein Industries, Inc. for the provision of farebox repair and maintenance services in an amount not to exceed \$300,000, inclusive of three six-month options, effective April 1, 2004.

RATIONALE

This one-year base contract is necessary to provide for the continued maintenance of the first generation Cubic farebox units during Metro's transition to the more current Universal Fare System technology over the course of this year. Metro retains the services of an outside firm with relevant expertise to inspect, repair, and/or perform necessary maintenance on the cashbox subassembly of the Cubic Phase I Electronic Farebox installed in the fleet of full-size buses operated by Metro since 1988.

The contract to be awarded is a fixed unit rate agreement for a thirty-month period, inclusive of three six-month options. The three additional six-month options were included to cover any unforeseen delays or extensions associated with the installation schedule for the UFS project.

Maintenance and repairs to the legacy equipment are essential to maintain the efficiency of bus revenue collection by reducing the number and severity of jams and other equipment failures associated with the farebox equipment, originally procured by Metro approximately twenty-five years ago. A qualified vendor has been used due to security concerns and inadequate internal capacity for continuous cashbox repairs.

Stein Industries, Inc. (Stein) has been providing farebox maintenance and repair services for Metro since September 2003, as the result of an emergency procurement under PS6430-0523-B that was prompted by the dissolution of the original contractor. Stein has been providing maintenance and repair services under the interim agreement until a formal competitive procurement could be completed. The aforementioned services are essential to day-to-day operations and enable Metro to achieve its objectives.

FINANCIAL IMPACT

The funding of \$300,000 for these materials was programmed in the FY04 budget in Cost Center 3342, Property Maintenance, project number 300011, account 50308, Service Contract Maintenance. Since this is a multi-year contract, the Facilities Maintenance Department will be accountable for budgeting the cost in future years, including any option exercised. In FY03, approximately \$232,000 was expended on this project under account 50308.

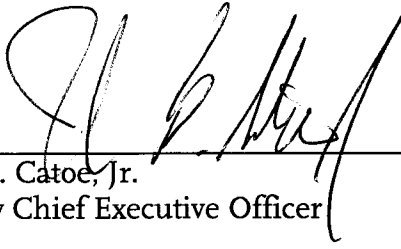
ALTERNATIVES CONSIDERED

An alternative is to bring the farebox repair and maintenance services in-house. This is not recommended since staff does not possess the requisite training or equipment to modify and/or repair the farebox equipment. Furthermore, it would not be cost effective to invest resources in a technology that will be replaced in the near future.

ATTACHMENTS

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

Prepared by: Denise Longley, Deputy Executive Officer, Facilities -Operations
Gregory Moore, Contract Administrator



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

CONTRACT NO. PS33421482, FAREBOX REPAIR & MAINTENANCE SERVICES

1.	Contract Number: PS33421482		
2.	Recommended Vendor(s): Stein Industries, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: NTE \$300,000	Recommended Price: NTE \$300,000	
	B. Details of Cost/Price Analysis are in Attachment A-1.D		
4.	Contract Types: Fixed Unit Rate Contract		
5.	Procurement Dates:		
	A. Issued: November 18, 2003		
	B. Advertised: November 18, 2003		
	C. Pre-bid/Proposal Conference: December 1, 2003		
	D. Bids/Proposals Due: December 11, 2003		
	E. Pre-Qualification Completed: January 7, 2004		
	F. Conflict of Interest Form Submitted to Ethics: December 8, 2003		
6.	Small Business Participation:		
	A. Bid/Bid Goal: N/A	Date Small Business Evaluation Completed: November 6, 2003	
	B. Small Business Commitment: 0 %		
7.	Invitation for Bid/Request for Bid Data:		
	Notifications Sent: 5	Bid/Bids Picked up: 3	Bid/Bids Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Stein Industries, Inc.	<u>Bids/Bids Amount</u> Fixed Unit Rate(s)	<u>Best and Final Offer Amount:</u>
	Evaluation Methodology: Responsive and responsible proposer earning the highest total evaluation score, based upon stated criterion.		
9.	Protest Information:		
	A. Protest Period End Date: March 27, 2004		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Gregory Moore	Telephone Number: 213-922-7376	
11.	Project Managers: Brady Branstetter, Director of Facilities Maintenance	Telephone Number: 213-922-7222	

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

CONTRACT NO. PS33421482, FAREBOX REPAIR & MAINTENANCE SERVICES

A. Background of Contractor(s)

Stein Industries, Inc. is a metal fabrication company based in Fullerton, California that serves a wide variety of industries, including aerospace and transportation. The firm was established in 1982. Stein Industries has provided farebox repair and maintenance services for Metro for the last six months under an interim contract established as the result of the original contractor's dissolution.

B. Procurement Background

Request for Proposals (RFP) No. PS33421482 was released on November 18, 2003 and advertised on the same date. A pre-proposal conference was held on December 1, 2003, and three firms were in attendance. The proposal deadline was December 11, 2003. One firm, Stein Industries, Inc., submitted a proposal prior to the stated deadline.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a DBE goal for this procurement. Based on industry practice, the Prime (Stein) is expected to complete the entire scope with its own workforce. However, pursuant to the DBE Program, if Stein utilizes the services of subcontractors, they are expected to afford maximum opportunities to DBE firms in all subcontracting and supply services areas throughout the life of the contract.

C. Evaluation of Proposals

The solicitation is in compliance with Metro Procurement policies and procedures. The project proposals were evaluated by a Source Selection Committee, and ranked based upon the evaluation criteria established in the RFP. Although Stein was the only proposer, the committee evaluated and scored the firm based on the stated evaluation criteria. Staff inquiries of the limited number of potential firms qualified to work on the outdated farebox equipment, including the manufacturer, Cubic, indicated that the firms could not cost effectively produce the required parts for such a short term (i.e., thirty-month) agreement.

D. Cost/Price Analysis

The recommended unit price has been determined to be fair and reasonable based upon a cost analysis conducted by staff and the perceived price competition under the competitive procurement process described herein. Stein has maintained pricing from the original farebox maintenance contract established nearly seven years ago.

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

CONTRACT NO. PS33421482, FAREBOX REPAIR & MAINTENANCE SERVICES

PRIME CONTRACTOR – Stein Industries, Inc.

Small Business Commitment

N/A

Other Subcontractors

N/A

Total Commitment 0.0%