

**OPERATIONS COMMITTEE
JUNE 17, 2004****SUBJECT: CONTRACTED BUS INSPECTION SERVICES****ACTION: AWARD CONTRACT TO PROVIDE BUS INSPECTION SERVICES****RECOMMENDATION**

Authorize the Chief Executive Officer to award a firm fixed price contract, Contract No. OP33201516 for articulated bus inspection services for 200 CNG sixty-foot buses to First Transit, Inc., in an amount not to exceed \$273,445, for a period of two years, effective July 1, 2004.

RATIONALE

Metro has a contract with North American Bus Industries (NABI) to produce 200 articulated, high-capacity CNG buses for delivery by June 30, 2006. Contract OP33201516 will provide for on-site bus inspection services as required by the Federal Transportation Administration (FTA). The selected contractor will be required to deploy inspection staff at production start-up, currently scheduled in Budapest Hungary in October 2004, and Anniston Alabama in February 2005.

On-site inspections are required during bus production runs by FTA grant funding regulations. Having on-site bus inspectors helps ensure that the buses comply with all applicable Metro technical and contractual requirements.

In 1999, Metro began using contracted bus inspectors to perform "off-site" factory inspections during new bus production runs. Prior to that time, Metro had relied exclusively on Metro staff for these functions. Metro has found that using contracted bus inspectors provides Metro with more detailed inspection records and documentation. This practice is also more cost-effective and less disruptive than relying exclusively on Metro staff to perform these same functions. Metro maintenance staff will still be present during production start-up and be involved with NABI in conducting final bus acceptance inspections as required by our ATU collective bargaining agreement.

FINANCIAL IMPACT

The funding of \$120,000 for this service is included in the FY05 budget in cost center number 3320, Vehicle Technology under project number 200004, 200 CNG Articulated Bus Purchase. 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 option exercised. In FY04, \$81,668 was expended on bus inspection services.

ALTERNATIVES CONSIDERED

Metro could rely exclusively on internal maintenance staff to provide line-inspections during NABI bus production. This is not recommended because it takes away staff from core operating functions, and using Metro staff exclusively for this work is more costly than contracting it out. Additionally, contract inspectors are assigned to the manufacturing facilities for longer periods of time allowing for better continuity of the inspections and reduced travel expenses when compared to the cost of sending Metro staff.

ATTACHMENT

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

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Carolyn Holmes for

John B. Catoe, Jr.
Deputy Chief Executive Officer

Roger Snoble

Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

CONTRACTED BUS INSPECTION SERVICES

1.	Contract Number: OP33201516		
2.	Recommended Vendor: First Transit, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$273,445	Recommended Price: \$273,445	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: February 27, 2004		
	B. Advertised: February 27, 2004		
	C. Pre-proposal Conference: March 10, 2004		
	D. Proposals Due: April 7, 2004		
	E. Pre-Qualification Completed: April 27, 2004		
	F. Conflict of Interest Form Submitted to Ethics: May 11, 2004		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 10% DBE	Date Small Business Evaluation Completed: May 13, 2004	
	B. Small Business Commitment: 10% of the total contract price. Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 45	Bids/Proposals Picked up: 14	Bids/Proposals Received: 3
8.	Evaluation Information:		
	A. Bidders/Proposers Names: First Transit Vehicle Technical Consultants, Inc. Parsons Brinckerhoff,	<u>Bid/Proposal Amount:</u> \$273,445 \$292,843 \$674,059	<u>Best and Final Offer Amount:</u> NA
	B. Evaluation Methodology: Technically Acceptable Lowest Price. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: June 22, 2004		
	B. Protest Receipt Date: Not Applicable		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Susan M. Dove	Telephone Number: 922-7451	
11.	Project Manager: John Drayton	Telephone Number: 922-5882	

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

CONTRACTED BUS INSPECTION SERVICES

A. Background on Contractor

First Transit Inc. is a business unit of FirstGroup America, an entity owned by FirstGroup, plc. United Kingdom-based passenger transportation company. FirstGroup, plc. is the United Kingdom's largest surface transportation company, with a fleet of more than 9,000 vehicles. With 40,000 employees worldwide, FirstGroup, plc. is listed on the London Stock Exchange. For over fifty years, First Transit, Inc. has provided public transit contracting and management services. First Transit, Inc. serves more than 100 transit authorities, federal agencies, municipal organizations and private companies.

First Transit, Inc. has performed bus inspection services for clients including Metropolitan Transit Authority of Harris County in Houston, Dallas Area Rapid Transit, and Long Beach Transit. In addition, First Transit has performed bus inspections on North American Bus Industries vehicles for Orange County Transportation Authority. First Transit has also performed bus inspections on buses of other bus manufacturers, including New Flyer of America and Gillig. Based on reference checks, First Transit Inc. performance in performing bus inspection services was very good.

B. Procurement Background

Under this procurement, the Metro solicited proposals for a firm fixed price contract for a Contractor to provide bus inspection services during the manufacture of the buses at North American Bus Industries (NABI) facilities in Budapest, Hungary, and in Anniston, Alabama.

A "technically acceptable low price" method was selected for evaluating proposals received for this procurement. This methodology was selected because the requirement was not complex and the technical and performance risks were minimal. The initial contract period of performance is July 1, 2004 through June 30, 2006. In the event Metro exercises options for additional articulated buses, the contract contains options for additional inspection services based on a CPI escalation of the fixed rates for inspection of the initial two hundred buses.

The Diversity and Economic Opportunity Department (DEOD) established a 10% Disadvantaged Business Enterprise (DBE) participation goal for this contract.

C. Evaluation of Proposals

In accordance with Metro Procurement Policies and Procedures, the Source Selection Committee (SSC) conducted a comprehensive review of the technical proposals, to determine if each proposal was technically acceptable. The evaluations were performed on a pass/fail basis. The SSC consisted of Metro staff members from various departments. All SSC members had experience with bus inspection and quality assurance inspections. Proposals were received from First Transit, Inc. Vehicle Technical Consultants, Inc. and Parsons Brinckerhoff, Quade and Douglas. The proposals were evaluated in accordance with the RFP and the technical acceptability requirements established therein. As stated in the RFP, "Any contract award will be made to the proposer whose offer meets the Technical Acceptability requirements, is responsible and responsive to the requirements of the RFP and offers the lowest evaluated price."

Based on a review of the proposals, and the reference checks, it was determined that all proposals were deemed technically acceptable to perform work. The proposal submitted by First Transit, Inc. was determined to be technically acceptable and offered the lowest evaluated price. Based on the technical acceptability requirements contained in the RFP, the Source Selection Committee recommended the contract be awarded to First Transit, Inc.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon price analysis.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS
CONTRACTED BUS INSPECTION SERVICES**

PRIME CONTRACTOR - First Transit, Inc.

Small Business Commitment

Other Subcontractors

ESA Management and Engineering (Inspection/Quality Assurance)	10%	None
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Total DBE Commitment	10%.
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