



**Metro**

Metropolitan Transportation Authority

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REVISED

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
SEPTEMBER 15, 2005**

**SUBJECT: NEOPLAN BUS DIGITAL VIDEO RECORDER (DVR) 3 INSTALLATION**

**ACTION: APPROVE INCREASE TO THE LIFE-OF-PROJECT BUDGET AND EXERCISE OPTIONS FOR DIGITAL VIDEO RECORDERS AT DIVISIONS 3 AND 10**

**RECOMMENDATION**

- A. Increase the life-of-project budget (LOP) for the Digital Video Recorder and Bus Division Equipment Project by \$1,148,297, increasing the life-of-project budget from \$1,031,000 to \$2,179,297.
- B. Exercise Contract Options 1 and 2 to Contract No. OP33201598 with GE Infrastructure Security to purchase additional Digital Video Recorders for 99 buses at Division 3 and 168 buses for Division 10 in the amount not to exceed \$1,317,556, inclusive of a \$50,000 contingency for replacement of malfunctioning equipment as needed, increasing the total contract value from \$667,692 to \$1,985,248 effective October 1, 2005.

**RATIONALE**

Digital Video Recorder (DVR) systems are used for providing security monitoring in the interior of buses, for graffiti and crime prevention, and to provide incident video taping which may be required for legal proceedings and law enforcement response. The majority of Metro's bus fleet are equipped with modern and state-of-the-art DVR-3 systems; however, 397 Neoplan buses purchased between 1995 and 1998 and located at Divisions 3, 10, and 18 are still equipped with outdated and inefficient DVR-1 systems. The DVR-1 systems on the older Neoplan buses are obsolete and parts are no longer readily available. The failure rate is also high, subsequently causing high maintenance costs. Furthermore, the DVR-1 systems are not compatible with Metro's Advanced Transportation Management System (ATMS). The newer DVR-3 systems have a patented cellular transmission system that can store and transmit images to a central monitoring system through ATMS, enabling "real time" monitoring of buses from a remote location. To ensure safety and security for Metro and our customers, it is imperative that the old and outdated DVR-1 systems be completely replaced with new and state-of-the-art DVR-3 systems.

In response to this issue, Metro awarded Contract No.OP33201598 to GE Infrastructure Security (GE) on June 23, 2005 for potential replacement of all remaining DVR-1 systems with DVR-3 systems. Due to limited funds availability during the FY06 budget process, Metro requested that GE provide a base bid price for 130 buses at Division 18, with exercisable options for 99 buses at Division 3 and 168 buses for Division 10. This contracting strategy would allow Metro to go forward on Division 18 utilizing the limited funds, while providing an efficient and cost-effective means to complete the remainder of the DVR upgrades if funds were to become available. Metro started installation of the 130 buses at Division 18 (base bid) on August 11, 2005; however, the options for Division 3 and 10 have not been exercised to date pending approval of this LOP increase request and authorization to exercise the options.

The Board approved the Digital Video Recorder and Bus Division Equipment project during the FY06 budget process, which had a LOP budget of \$1,031,000. Recently, the Board of Directors directed staff to implement additional security measures as quickly as possible due to terrorism and homeland security concerns. The most efficient and cost-effective means to implement the additional security measures, and complete the system-wide DVR upgrades, is to exercise the options in the existing contract with GE. Exercising the options mandates that the LOP must be revised to reflect the actual funding required to complete the project. Exercising the options to remove the DVR-1s and install DVR-3s on the remaining Neoplan buses within the GE contract is pending approval of this LOP request.

**FINANCIAL IMPACT**

This action will increase the life-of-project budget of project number 202003, Digital Video Recorders and Division Equipment by \$1,148,297, resulting in an increase from \$1,031,000 to \$2,179,297. The funding required for this project will be transferred from the following projects:

CP Name & Title	FY06 Non-Labor Budget	Amount Transferred	Remaining Amount
CP 202003 Digital Video Recorder and Bus Division Equipment Project	\$ 808,176	\$ 190,484	\$ 617,692
CP 202035 FY06 Bus Facility Contingency Project	\$ 838,628	\$ 338,628	\$ 500,000
CP 202040 FY06 Bus Division Maintenance Project	\$ 797,596	\$ 105,000	\$ 692,596
CP 202065 Articulate Bus Facility Modification Project	\$ 4,299,274	\$ 514,185	\$ 3,785,089
<b>TOTALS</b>	<b>\$ 6,743,674</b>	<b>\$ 1,148,297</b>	<b>\$ 5,595,377</b>

This action does not require an amendment to the FY06 budget as the overall capital budget will not be increased.

The project budget and funding plan are included in Attachment A.

## ALTERNATIVES CONSIDERED

The Board of Directors may choose not to authorize an increase to the life-of-project budget for this project **and not to authorize exercising the options**. This alternative is not recommended, since rejection of the LOP increase would prohibit staff from exercising the options in the GE contract, and upgrades of the outdated DVR-1 systems could not be accomplished in an efficient and cost-effective manner.

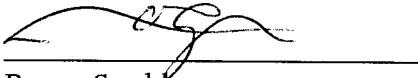
## ATTACHMENTS

- ~~A. Digital Video Recorders and Division Equipment: life-of-project budget and funding plan~~
- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors
- B. Digital Video Recorders and Division Equipment: life-of-project budget and funding plan

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**BOARD REPORT ATTACHMENT A**  
**PROCUREMENT SUMMARY**  
**CONTRACT No. OP33201598 EXERCISE OPTION FOR**  
**DIGITAL VIDEO RECORDERS**

**GE INFRASTRUCTURE SECURITY**

1.	<u>Contract Number: OP33201598</u>		
2.	<u>Recommended Vendor: GE Infrastructure Security</u>		
3.	<u>Cost/Price Analysis Information:</u>		
	A. <u>Bid/Proposed Price:</u> NA	<u>Recommended Price: Not to Exceed \$1,317,556 – includes \$50,000 contingency for malfunctioning cameras</u>	
	B. <u>Details of Significant Variances are in Attachment A-1.D</u>		
4.	<u>Contract Type: Firm Fixed Price</u>		
5.	<u>Procurement Dates:</u>		
	A. <u>Issued: N/A</u>		
	B. <u>Advertised: N/A</u>		
	C. <u>Pre-proposal Conference: N/A</u>		
	D. <u>Proposals Due: N/A</u>		
	E. <u>Pre-Qualification Completed: yes</u>		
	F. <u>Conflict of Interest Form Submitted to Ethics: yes</u>		
6.	<u>Small Business Participation:</u>		
	A. <u>Bid/Proposal Goal:</u> No goal	<u>Date Small Business Evaluation Completed:</u> September 7, 2004	
	B. <u>Small Business Commitment: 2.92% Details are in Attachment A-2</u>		
7.	<u>Invitation for Bid/Request for Proposal Data:</u>		
	<u>Notifications Sent:</u> N/A	<u>Bids/Proposals Picked up:</u> N/A	<u>Bids/Proposals Received:</u> N/A
8.	<u>Evaluation Information:</u>		
	A. <u>Bidders/Proposers Names:</u> N/A	<u>Bid/Proposal Amount:</u> N/A	<u>Best and Final Offer Amount:</u> N/A
	B. <u>Evaluation Methodology: Sole Source. Details are in Attachment B-1.C</u>		
9.	<u>Protest Information:</u>		
	A. <u>Protest Period End Date: N/A</u>		
	B. <u>Protest Receipt Date: N/A</u>		
	C. <u>Disposition of Protest Date:</u>		
10.	<u>Contract Administrator:</u> Susan M. Dove	<u>Telephone Number:</u> (213) 922-7451	
11.	<u>Project Manager:</u> Rudy Rey	<u>Telephone Number:</u> (213) 922-4712	

**BOARD REPORT ATTACHMENT A-1**  
**PROCUREMENT HISTORY**  
**GE INFRASTRUCTURE SECURITY**

**A. Background on Contractor**

General Electric (GE) was founded in 1876. GE currently has eleven (11) technology, services and financial businesses with more than 300,000 employees in 160 countries around the world. GE Infrastructure is a high-technology business unit comprised of some of the fastest-growing businesses within GE with 2004 revenues expected to approach \$3.5 billion. GE Infrastructure Security is considered as a technological leader in the rapidly growing electronic security industry. The business focuses on communication technologies along with information for security, life safety and lifestyle enhancements, Homeland Security and the emerging web-enabled premises management market for residential, commercial and enterprise applications. As noted in the original contract award, GE Infrastructure Security is the manufacturer of the "Mobile View" digital video recorders, a digital video recording system designed for buses, light-rail cars, delivery trucks, armored cars and other vehicles.

**B. Procurement Background**

On October 19, 2004, a single proposal was issued to GE Infrastructure Security. As a result of that procurement, the Board of Directors authorized a sole source contract to GE Infrastructure Security on June 23, 2005. Because there appeared to be no subcontracting opportunities, a DBE goal was not initially established. Subsequently, GE Infrastructure Security identified work that could be performed by a DBE subcontractor. As a result, GE Infrastructure Security committed to a 2.92% DBE goal.

In the solicitation, staff requested and received option pricing for the replacement of DVR-1 systems on 168 Neoplan Buses at Division 10 and 99 Buses at Division 3. The option pricing for the additional work is valid for one year from contract award.

The scope of work includes the provision of new wiring to the previously mounted cameras on each bus. Because of the age of the camera units, staff expected that some cameras might not be functioning optimally. Thus, the proposer was required to provide a fixed unit rate for the replacement of any malfunctioning cameras that might be identified during the work.

As required by Metro's Procurement Policy, staff must determine that the option pricing is reasonable. In the original contract award, staff noted that GE Infrastructure offered a twenty percent discount from the catalog price of the DVR-3 unit. The same discount was also offered for the option pricing. The original pricing of not to exceed \$617,162 was determined to be reasonable based on a price analysis. Because the unit pricing for option DVR-3 units is identical, this pricing is also considered to be reasonable.

### C. Evaluation of Proposals

Not applicable.

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

The recommended price of \$1,267,556 has been determined to be fair and reasonable based on a price analysis of the equipment. If malfunctioning cameras are identified, additional cameras may be needed. Therefore, a not to exceed amount of \$1,317,556 has been recommended, which includes a \$50,000 contingency for replacement of malfunctioning equipment as needed.

BOARD REPORT ATTACHMENT A-2  
LIST OF SUBCONTRACTORS  
CONTRACT No. OP33201598, DIGITAL VIDEO RECORDER  
GE INFRASTRUCTURE SECURITY

PRIME CONTRACTOR: GE INFRASTRUCTURE SECURITY

<u>SUBCONTRACTOR:</u>	<u>Total DBE Commitment:</u>
<u>Global Wireless Communications</u>	<u>2.92%</u>
<u>(dba Global Communications)</u>	



**ATTACHMENT A- B**

CP 202003 Digital Video Recorders & Bus Division Equipment					
Expense Category	Board Approved Life of Project	Inception-to-Date Expenditures	Forecast of Cost to Complete	LOP Increase/ (Decrease)	Revised Life of Project
Project Administration	\$ -	\$ -	\$ -	\$ -	\$ -
Design / Specifications	-	-	-	-	-
Construction/Rehab/Renovation	-	-	-	-	-
Parts/ Material	-	-	-	-	-
Contingency	-	-	-	-	-
Land Acquisition	-	-	-	-	-
PROF SVC	86,500	2,300	-	(84,200)	2,300
LABOR	45,500	22,500	67,500	44,500	90,000
Systems / Equipment	899,000	194,300	1,872,697	1,167,997	2,066,997
Vehicle Acquisition	-	-	20,000	20,000	20,000
<b>Total</b>	<b>\$ 1,031,000</b>	<b>\$ 219,100</b>	<b>\$ 1,960,197</b>	<b>\$ 1,148,297</b>	<b>\$ 2,179,297</b>

Funding Plan	
Sources	FY06
Sales Lease Back	\$ 1,148,297
	-
	-
	-
<b>Total</b>	<b>\$ 1,148,297</b>

The Digital Video Recorder and Division Equipment life of project (LOP) budget of \$1,031,000 was approved by the Board at the time of FY06 budget approval in May 2005. Since approval of the initial LOP, the Board of Directors has directed staff to implement additional security measures due to homeland security concerns. The proposed increase in LOP will allow staff to fully implement the project and replace all obsolete DVR-1 systems with ATMS-compatible DVR-3 systems.

\*\* The inception-to-date expenditures were primarily for division equipment such as; brake lathes, sign shop equipment, steam cleaners and paint shop equipment and not the DVR's. The LOP increase request is for the DVR project.