



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

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**OPERATIONS COMMITTEE  
APRIL 20, 2006**

**SUBJECT: CONTRACT NO. OP34101802, PARTS WASHER SERVICES AT REGIONAL REBUILD CENTER (RRC), FRS ENVIRONMENTAL INC.**

**ACTION: APPROVE CONTRACT AWARD**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a Firm Fixed Unit Rate contract, Contract No. OP34101802, to FRS Environmental Inc. (FRS) of Corona, CA, for parts washer services at Regional Rebuild Center (RRC) in an amount not-to-exceed \$1,418,820 for a 10-year period, inclusive of one 5-year option, effective May 15, 2006.

**RATIONALE**

The Regional Rebuild Center is responsible for providing heavy bus maintenance support to the operating divisions. Heavy maintenance areas include the following: failed engine and transmission dismantling, rebuilding and replacement, major accident repair, complete bus painting, and the rebuilding of components for power plant assemblies.

The proposed contract is critical in carrying out the RRC heavy maintenance function, which requires the use of approximately fifty leased parts washer units assigned to the following shops within the RRC: Running Repair, Systems, Body, Engine, Transmission, Tear Down, Electrical/Mechanical, Machine and Paint. The parts washers contain aqueous (water) or solvent-based solutions that remove dirt, grime and grease from parts, tools and equipment in support of the diverse production requirements specific to each shop.

The contracted services include the provision of contractor-owned parts washing equipment, refilling these machines to their optimal level and removing hazardous waste materials for proper disposal (off-site), and performing preventative maintenance on the units. These services are performed at various scheduled intervals dependent on specific shop requirements/applications.

**FINANCIAL IMPACT**

Funding for this procurement is included in the FY06 budget for two months of service in the amount of \$27,411. Funding in the amount of \$164,464 is also included in the FY07 budget request for Cost Center 3410, RRC Administration,

under Project 300011, Task 11.2.08.17.1, for the Regional Rebuild Center, Line Item 50308, Service Contracts. Since this is a multi-year contract, the Cost Center Manager and Deputy Chief Executive Officer will be accountable for budgeting in future years. Approximately \$133,000 was expended on this contract during the last year.

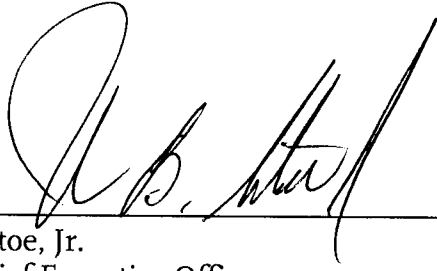
### **ALTERNATIVES CONSIDERED**

The only alternative considered is the use of in-house personnel to perform these services. This alternative is not recommended for the following reasons: 1) Metro would have to purchase the equipment at a cost of approximately \$ 250,000 and maintain and periodically repair the equipment; 2)the degreasing agents used in the parts washer units are considered hazardous materials that require specialized certification for handling and disposal; 3) the removal and transportation of hazardous waste must be performed by a licensed transporter; 4) the treatment and disposal of the waste can only be performed by a permitted Treatment, Storage and Disposal Facility; and 5) Metro does not have the required licenses, permits or personnel to serve in this capacity. For these reasons, staff has determined that it is in the best interests of Metro to contract out for these services.

### **ATTACHMENTS**

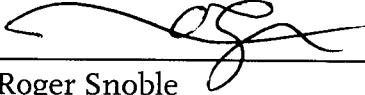
- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: John Petres, Equipment Maintenance Manager- RRC  
Robert Vasquez, Sr. Contract Administrator



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John B. Catoe, Jr.  
Deputy Chief Executive Officer



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**PARTS WASHER SERVICES AT RRC**

1.	Contract Number: OP34101802		
2.	Recommended Vendor: FRS Environmental Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$1,418,820	Recommended Price: \$1,418,820	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Unit Rate		
5.	Procurement Dates:		
	A. Issued: 01/09/06		
	B. Advertised: 01/09/06		
	C. Pre-proposal Conference: 01/23/06		
	D. Proposals Due: 02/15/06		
	E. Pre-Qualification Completed: 02/16/06		
	F. Conflict of Interest Form Submitted to Ethics: 03/10/06		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: 0% (Details are in Attachment A-2)		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 19	Bids/Proposals Picked up: 12	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	FRS Environmental Inc.	\$1,418,820	\$N/A
	Safety-Kleen Systems, Inc.	\$1,432,516	\$N/A
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 04/25/06		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Robert Vasquez	Telephone Number: 213-922-1044	
11.	Project Manager: John Petres	Telephone Number: 213-922-5743	

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

**PARTS WASHER SERVICES AT RRC**

**A. Background on Contractor**

FRS Environmental Inc. (FRS) is located in Corona, CA and has been in the parts washing service industry since 1996. The company has contracts for similar services with Long Beach Transit, LAUSD, OCTA, and other industrial clients throughout Southern California. Reference checks revealed that FRS has performed well for the clients listed in the bid submittal. Although the company is small, it has the resources to provide all of the required services without the use of subcontractors. FRS possesses all of the licenses and permits required for this type of work.

**B. Procurement Background**

This is a competitive sealed-bid procurement under IFB No. OP34101802. The base contract period is for 5 years, with an option for an additional 5-year period, for a total potential contract term of 10 years.

**C. Evaluation of Proposals**

This procurement was conducted in accordance, and complies with, standard Metro Procurement Policies and Procedures for a competitive sealed bid. Bids were received from FRS Environmental Inc. and Safety-Kleen Systems, Inc. Both bidders were found to be responsive and responsible. Both firms were determined to be qualified to provide the required services based on a technical evaluation performed by the Metro project manager. References for both firms were checked and found to be at least satisfactory in each case.

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

The recommended price has been determined to be fair and reasonable based upon adequate competition and an Independent Cost Estimate. The recommended amount of \$1,418,820 is \$158,860 or 10% lower than the estimated amount of \$1,577,680 over the 10-year contract period.

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

**PARTS WASHER SERVICES AT RRC**

**PRIME CONTRACTOR – FRS Environmental Inc.**

Small Business Commitment

Other Subcontractors

No goal recommended.

None.

Total Commitment        0%