



**Metro**

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE  
MAY 18, 2006**

**SUBJECT: BUS BATTERIES**

**ACTION: AWARD CONTRACT FOR BUS BATTERIES**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award twenty-four month firm fixed price requirements contract under Bid No. 06-0014 with Performance Plus Distributing, the lowest responsive and responsible bidder for bus batteries for a firm fixed price of \$922,290, inclusive of sales tax.

**RATIONALE**

The replacement of bus batteries is needed to maintain and service the bus fleet. The bus batteries will be delivered to each bus operating division throughout the five Service Sectors when replacement batteries are required. This procurement will provide Metro a supply of bus batteries at the lowest cost and ensure they are available to provide uninterrupted service. Based on historical usage, staff estimates that Metro will use approximately 12,000 batteries per year.

Since the contract to be awarded is a "requirement type" agreement up to the specified quantity for a specific duration of time there is no obligation or commitment on the part of Metro to order any or all of the bus batteries that may be required. The bid quantities are estimates only, with deliveries to be ordered and released as required.

Bus Batteries will be purchased and maintained in inventory and managed by Material Management. Each of the Service Sector operating divisions maintain bus batteries in their stock room based on their individual consumption requirements. As the bus batteries are issued, the appropriate Sector's budget project numbers and accounts are charged.

**FINANCIAL IMPACT**

The funding of \$35,000 for this procurement is included in the FY06 budget in cost center numbers 3601, 3802, 3805, 3818, 3508, 3515, 3503, 3609, 3706, 3707, and 3710, Parts Revenue Vehicles under project numbers 303008, 304008, 301008, 302008, 305008. 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. In FY05 approximately \$385,000 was expended in this category.

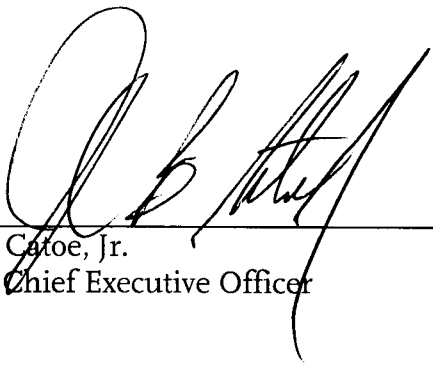
### **ALTERNATIVES CONSIDERED**

The alternative is not to award the contract and procure the bus batteries on an as-needed basis, using the traditional “min/max” replenishment system method. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure the availability, timely delivery, continued supply and a guaranteed fixed price for the batteries.

### **ATTACHMENTS**

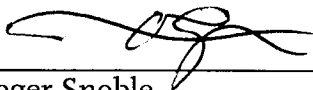
- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- B Bid Tabulation

Prepared by: Michael Stange, Equipment Maintenance Superintendent  
Richard Bachman, Contract Administration Manager



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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**

**BUS BATTERIES**

|     |   |  |   |
|-----|---|--|---|
| 1.  | Contract Number: 06-0014                                    |  |   |
| 2.  | Recommended Vendor: Performance Plus Distributing           |  |   |
| 3.  | Cost/Price Analysis Information:                            |  |   |
|     | A. Bid/Proposed Price:<br>\$922,290                         | Recommended Price:<br>\$1,386,812                |   |
|     | B. Details of Significant Variances are in Attachment A-1.D |  |   |
| 4.  | Contract Type: Fixed price                                  |  |   |
| 5.  | Procurement Dates:  |  |   |
|     | A. Issued: 02-24-06   |  |   |
|     | B. Advertised: 02-25-06                                     |  |   |
|     | C. Pre-proposal Conference: 01-12-06                        |  |   |
|     | D. Proposals Due: 03-27-06                                  |  |   |
|     | E. Pre-Qualification Completed: Yes                         |  |   |
|     | F. Conflict of Interest Form Submitted to Ethics: Yes       |  |   |
| 6.  | Small Business Participation:                               |  |   |
|     | A. Bid/Proposal Goal:<br>No goal recommended                | Date Small Business Evaluation Completed:<br>N/A |   |
|     | B. Small Business Commitment: No goal recommended           |  |   |
| 7.  | Invitation for Bid/Request for Proposal Data:               |  |   |
|     | Notifications Sent:<br>7                                    | Bids/Proposals Picked<br>up: 4                   | Bids/Proposals Received:<br>5           |
| 8.  | Evaluation Information:                                     |  |   |
|     | A. Bidders/Proposers Names:                                 | <u>Bid/Proposal<br/>Amount:</u>                  | <u>Best and Final Offer<br/>Amount:</u> |
|     | Performance Plus Dist.                                      | \$922,290  | N/A                                     |
|     | Napa Auto Parts   | \$1,295,882                                      |   |
|     | Interstate Battery  | \$1,307,573                                      |   |
|     | Battery Systems – Option 1                                  | \$1,350,960                                      |   |
|     | Battery Systems – Option 2                                  | \$1,350,960                                      |   |
|     | B. Evaluation Methodology: Details are in Attachment A-1.C  |  |   |
| 9.  | Protest Information:  |  |   |
|     | A. Protest Period End Date: 05-21-06                        |  |   |
|     | B. Protest Receipt Date: TBD                                |  |   |
|     | C. Disposition of Protest Date: TBD                         |  |   |
| 10. | Contract Administrator:<br>Vimol Katkaphan                  | Telephone Number:<br>213-922-7351                |   |
| 11. | Project Manager:<br>Michael Stange                          | Telephone Number:<br>213-922-5751                |   |

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

**BUS BATTERIES**

**A. Background on Contractor**

Performance Plus Distributing, located in Anaheim, CA, has been in business since 1997. Major area of business is sale of batteries for the automotive and commercial markets. Major customers include City of Los Angeles, City of Anaheim and City of Fullerton. Metro is currently doing business with Performance Plus Distributing and they have been providing satisfactory service and delivery to Metro.

**B. Procurement Background**

In accordance with Metro Procurement Policies and Procedures, Quality Assurance performed a technical evaluation.

All bidders were determined to be in full compliance with the specifications. Therefore, staff recommends award to the lowest responsive, responsible bidder Performance Plus Distributing.

The Diversity and Economic Opportunity Department did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement.

**C. Evaluation of Proposals**

Bidder #1 Performance Plus Distributing in the amount of \$922,290 was the lowest bidder and is in compliance with the technical requirements and the terms and conditions of the bid. The battery offered by Performance Plus Distributing is manufactured in Korea but is eligible for a price differential waiver under Buy America requirements Section 49, CFR 661.7.

Bidder #2 Napa Auto Parts in the amount of \$1,295,882 was found to be in compliance with the technical specifications but was not in compliance with the Pre-qualification requirements.

Bidder #3 Interstate Batteries in the amount of \$1,307,573 was found to be in compliance with the technical specifications and all terms and conditions of the bid.

Bidder #4 Battery Systems submitted two options for similar batteries at the same unit price for a total amount of \$1,350,960. Battery Systems was found to be in compliance with the technical specifications but was not in compliance with the Pre-qualification requirements.

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

The recommended price has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. The recommended bid unit rate will result in a total savings/cost avoidance over a two-year period of \$429,120 from current prices. The difference in pricing is based on increased competition.

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

**BUS BATTERIES**

**PRIME CONTRACTOR** – Performance Plus Distributing

Small Business Commitment

Other Subcontractors

N/As

N/A

Total Commitment        0 %

# LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION

## Bid No: 060014 Bus Batteries

Bids Out: 02/24/06 Total 7  
 Bids Opened: 03/27/06 Total 5  
 Advertisement Date(s): 02/25/06  
 Newspaper: Daily News

| Item No.               | Description   | Two Year Est. Usage | Unit | Performance Plus |              | Napa       |                | Interstate Battery |                | Battery Systems (Option 1) |                | Battery Systems (Option 2) |                |
|------------------------|---------------|---------------------|------|------------------|--------------|------------|----------------|--------------------|----------------|----------------------------|----------------|----------------------------|----------------|
|                        |               |                     |      | Unit Price       | Total Price  | Unit Price | Total Price    | Unit Price         | Total Price    | Unit Price                 | Total Price    | Unit Price                 | Total Price    |
| 1                      | Bus Batteries | 24,000              | ea   | \$35.50          | \$852,000.00 | \$49.88    | \$1,197,120.00 | \$50.33            | \$1,207,920.00 | \$52.00                    | \$1,248,000.00 | \$52.00                    | \$1,248,000.00 |
| Sub Total              |               |                     |      |                  | \$852,000.00 |            | \$1,197,120.00 |                    | \$1,207,920.00 |                            | \$1,248,000.00 |                            | \$1,248,000.00 |
| Sales Tax 8.25 %       |               |                     |      |                  | \$70,290.00  |            | \$98,762.40    |                    | \$99,653.40    |                            | \$102,960.00   |                            | \$102,960.00   |
| <b>Total Bid Price</b> |               |                     |      |                  | \$922,290.00 |            | \$1,295,882.40 |                    | \$1,307,573.40 |                            | \$1,350,960.00 |                            | \$1,350,960.00 |

I hereby certify Performance Plus as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$ 922,290.

5/1/06  
Date

Richard A. Bachman  
Signature