

**OPERATIONS COMMITTEE  
OCTOBER 19, 2006**

**SUBJECT: BACKFLOW DEVICE TESTING & REPAIR  
AAA BACKFLOW DEVICE TESTING, INC.**

**ACTION: APPROVE NEW CONTRACT AWARD**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year firm, fixed unit rate contract, Contract No. OP334406B4027 to AAA Backflow Device Testing Inc., for backflow device testing and repair in an amount not to exceed \$674,925, inclusive of two one-year options, effective November 1, 2006.

**RATIONALE**

Backflow devices are installed on irrigation systems and water-based fire suppression system connections to the water system to protect public health by preventing contaminants from flowing back into the municipal potable water system. There are approximately 275 backflow devices installed at Metro transit facilities throughout Los Angeles County. This number will increase by approximately 5% in September 2007 when the maintenance responsibility of the 14-mile long landscaped Orange Line right-of-way transfers to Metro Operations. The increased cost for the Orange Line is included in the contract value.

The service is required to perform annual testing to verify the integrity of each backflow device and to provide needed repairs or replacement for any device that fails testing. Due to the advanced age of some of the devices in the transit system, repairs and replacements are, and will continue to be necessary in the future to maintain the integrity of the backflow device system. These increased maintenance costs will not be a significant impact in the first year of the contract period.

Annual testing of backflow devices is a mandated regulatory requirement of the Los Angeles County Health Department and other authorities having jurisdictions such as municipalities and water companies.

**FINANCIAL IMPACT**

The funding of \$48,600 for this service is included in the FY07 budget in cost center 3344, Contracts & Administration under project 300011 (Bus Operations), 300022 (Blue Line

Operations), 300033 (Green Line Operations), 300044 (Red Line Operations) and 300055 (Gold Line Operations).

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 options exercised. In FY06, \$35,412 was expended on this service.

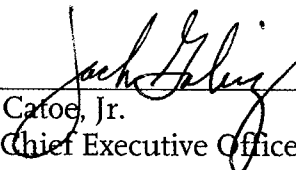
**ALTERNATIVES CONSIDERED**

One alternative would be to perform backflow device testing and repair on an in-house basis. This would require the hiring of additional personnel to obtain required certification from the Los Angeles County Department of Health. The stocking of parts and purchase of additional equipment and tools would also be required. As testing of these devices occurs annually, hiring and investing in the training of additional manpower to perform this specialty work would not be a cost effective option for Metro.

**ATTACHMENTS**

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

Prepared by: Brady Branstetter, Director Facilities Maintenance  
Hussein Farah, Facilities Maintenance Manager  
Ted Sparkuhl, Contract Administrator

*for*   
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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**

**CONTRACT NO. OP334406B4027, BACKFLOW DEVICES TESTING & REPAIRS**

1.	Contract Number: OP334406B4027		
2.	Recommended Vendor: AAA Backflow Device Testing, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$ 674,925	Recommended Price: \$674,925	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Indefinite Delivery/Indefinite Quantity		
5.	Procurement Dates:		
	A. Issued: June 23, 2006		
	B. Advertised: June 24,2006		
	C. Pre-proposal Conference: June 28, 2006		
	D. Proposals Due: August 9, 2006		
	E. Pre-Qualification Completed: August 21, 2006		
	F. Conflict of Interest Form Submitted to Ethics:		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: DEOD did not recommend a goal for this procurement.	Date Small Business Evaluation Completed:	
	B. Small Business Commitment: 0.0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 5	Bids/Proposals Picked up: 5	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders Names:  AAA Backflow Device Testing, Inc. BAVCO Backflow Apparatus & Valve Co.	Bid/Proposal Amount:  \$ 674,925 \$ 863,500	Best and Final Offer Amount: Not Applicable
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date:		
	B. Protest Receipt Date:		
	C. Disposition of Protest Date:		
10.	Contract Administrator: W. T. (Ted) Sparkuhl	Telephone Number: 213.922.7399	
11.	Project Manager: Hussein Farah	Telephone Number: 213.922.8877	

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

**CONTRACT NO. OP334406B4027, BACKFLOW DEVICES TESTING & REPAIRS**

**A. Background on Contractor**

AAA Backflow Device Testing, Inc. (AAA), is located in Los Angeles, California, and has been in business for approximately fifty years. The current owners have owned AAA for approximately twenty-eight years. AAA's primary focus is backflow testing, installation, maintenance and repair. In addition to being the incumbent contractor with Metro for backflow testing, maintenance and repair, AAA currently has contracts with the City of Orange, El Monte School District, Mount St. Mary's College, Bank of America, Baxter Bioscience and Metro-Link. AAA's performance of the current contract has been excellent.

**B. Procurement Background**

The Metro Procurement Department conducted a sealed-bid, lowest responsive, responsible bidder procurement for this requirement. The contract is an indefinite delivery/indefinite quantity contract.

Metro IFB OP3344-06-B-4027 was issued June 23, 2006 with an original bid due date of July 13, 2006. The original bid due date was extended to July 20, 2006 when it became obvious that Metro would not receive any bids in response to the solicitation. The bid due date was subsequently extended to August 9, 2006. A market survey was performed to determine why potential bidders did not wish to bid this requirement. Three of the five potential bidders decided to NO BID Metro's requirement. The last two firms, AAA and Backflow Apparatus & Valve Co. (BAVCO) did not wish to bid the project because of the prevailing wage and insurance requirements. As a result, Metro waived the prevailing wage requirement and reduced the insurance requirements as an inducement to potential bidders to submit bids. Metro approached the three NO BID bidders a second time in an attempt to obtain a wider spread of competition; all three declined. Eventually, AAA and BAVCO were the only two firms to submit bids.

Since this is an indefinite delivery/indefinite quantity contract, the project manager will issue tasks on an as-needed basis in response to annual testing of backflow devices mandated by regulation of the Los Angeles County Health Department and other authorities having jurisdictions such as municipalities and water companies.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this project because this procurement requires the professional services of a specialized testing, maintenance and repair service of backflow devices. Based on industry practices, it is expected that the prime contractor will provide all services and products with minimal, if any, subcontracting.

**C. Evaluation of Proposals**

This procurement effort was performed in accordance with Public Utilities Commission (PUC) code 130232 and Chapter 7 – Procurement by Sealed Bidding. Procurement performed a responsiveness and responsibility evaluation of AAA and BAVCO and determined that both firms were responsive and responsible.

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

The recommended price of \$674,925 .00 was determined to be fair and reasonable based upon competition and the following analysis:

AAA's bid price is 27.94% or \$188,575 lower than BACO's, bid price. AAA's price is only 1.24% or \$8,400 more than Metro's independent cost estimate (ICE) while BAVCO's price is 22.81% or \$196,975 more than the ICE.

Therefore, AAA is the lowest responsive, responsible bidder for this procurement.

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

**CONTRACT NO. OP334406B4027, BACKFLOW DEVICES TESTING & REPAIRS**

**PRIME CONTRACTOR – AAA Backflow Device Testing, Inc**

**Small Business Commitment**

N/A

**Other Subcontractors**

N/A

Total Commitment            0.0%

