



Metro

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
SEPTEMBER 20, 2007**

SUBJECT: FOUR-DOOR SEDAN VEHICLES FOR NON-REVENUE FLEET

ACTION: RECOMMENDATION FOR AWARD

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price contract under Bid No. OP-3434-2058 with Victor Buick Pontiac GMC Truck, Inc., the lowest responsive and responsible bidder, for 135 four-door sedan vehicles for an amount not-to-exceed \$2,362,013, inclusive of sales tax.

RATIONALE

On March 9, 2007, Metro issued Invitation for Bid (IFB) No. OP34342002 to supply hybrid sedans. Market research indicated that vehicles of the type Metro requires are in very short supply due to strict allocation by the manufacturers and high demand, and that it was highly unlikely a single dealer could offer the full quantity. The IFB requested bidders to offer as many vehicles as they could and advised that award would be made, first to the low bidder, then to the next low until the full requirement was met, provided the prices were reasonable. Notwithstanding these provisions, Metro received three bids for the full quantity of one hundred three vehicles. After evaluation, it was determined that all bids were non-responsive because they deviated from Metro's technical requirement for power train warranty or original equipment manufacturer's training.

Based on the agency's current budget deficit and the declining availability of capital funds, the purchase of standard sedans would provide Metro a higher yield (135 standard sedans vs. 103 hybrid sedans) of vehicles based on funding levels. Therefore, this procurement is for the purchase of one-hundred thirty-five 4-door sedans for the replacement of current vehicles assigned to the Operator Relief fleet. These vehicles are used by operators to support the substitution of bus drivers while the bus remains on its scheduled line and run. This is a daily activity that is instrumental in supporting our core business. These vehicles replace an existing fleet that exceeds the Federal Transit Administration (FTA) replacement guidelines, as well as, Metro's six-year/100,000 miles replacement model. When vehicles meet these guidelines, they are identified for replacement and disposed of through salvage per FTA requirements and Metro policy.

FINANCIAL IMPACT

Funding for this action is included in the FY08 capital budget in cost center 3434, Non-Revenue Operations under Project 208007, Bus System Support Replacement Non-Revenue Vehicles and line items 53102 and 53106, Acquisition of Equipment and Acquisition of Service Vehicle.

ALTERNATIVE CONSIDERED

The alternative is to not purchase these vehicles and continue using the current equipment. This alternative is not recommended due to the age of the vehicles exceeding ten years old. Metro's current practice of investing mechanic labor and operating dollars on parts is far exceeding the value of these vehicles. Their current market value is around \$1,200. To keep them running staff is installing engines and transmissions at a cost of \$1,000 to \$3,000 each.

ATTACHMENT(S)

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- A-3 Bid Tabulation

Prepared by: Harold Torres, Equipment Maintenance Supervisor
Amy Ly, Contract Administrator

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Roger Snoble

Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

FOUR-DOOR SEDAN VEHICLES FOR NON-REVENUE FLEET

1.	Contract Number: OP-3434-2058		
2.	Recommended Vendor: Victor Buick Pontiac GMC Truck, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$2,362,013	Recommended Price: \$2,362,013	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: June 13, 2007		
	B. Advertised: June 14, 2007		
	C. Pre-bid Conference: N/A		
	D. Bids Due: July 10, 2007		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: August 15, 2007		
6.	Small Business Participation:		
	A. Bid Goal: MBE: 0% WBE: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 34	Bids/Proposals Picked up: 49	Bids/Proposals Received: 12
8.	Evaluation Information: See Bid Tabulation		
	<u>A. Bidders/Proposers Names:</u>	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amt:</u>
	Victor Buick Pontiac GMC Truck, Inc.	\$ 2,362,013.40	N/A
	Reynolds Buick/Pontiac/GMC	\$ 2,420,207.44	
	South Bay Ford	\$ 2,467,321.93	
	Burch Ford	\$ 2,475,060.48	
	Bob Wondries Ford	\$ 2,493,702.45	
	Villa Ford	\$ 2,535,746.15	
	Santa Monica Ford	\$ 2,544,753.15	
	Downey Ford	\$ 559,913.65*	
	Carson Toyota	\$ 917,790.40*	
	Penske Toyota	\$ 3,224,866.25	
	Longo Toyota	\$ 3,259,500.84	
	Frontier Toyota	\$ 3,301,350.29	
	*Bid offered less than full quantity of 135 vehicles. see Bid Tabulation for details.		
	B. Evaluation Methodology: Procurement is in compliance with Procurement policies and procedures.		

9.	Protest Information:	
	A. Protest Period End Date: September 25, 2007	
	B. Protest Receipt Date: TBD	
	C. Disposition of Protest Date: TBD	
10.	Contract Administrator: Amy Ly	Telephone Number: 213-922-2632
11.	Project Manager: Harold Torres	Telephone Number: 562-658-0231

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

FOUR-DOOR SEDAN VEHICLES FOR NON-REVENUE FLEET

A. Background on Contractor

Victor Buick Pontiac GMC Truck, Inc. located in Corona, CA, has been in business for fourteen years. It is a full service franchised automobile sales and service dealer. Victor Buick Pontiac GMC Truck, Inc. has been the successful bidder on a past Metro vehicle procurement, and has had contracts with the Metropolitan Water District, Eastern Municipal Water Districts, County of Orange, and County of Riverside. This contractor's performance on its previous Metro procurement was satisfactory.

B. Procurement Background

IFB OP34342058 was conducted as a two-phase "brand name or approved equal" procurement. Phase I provided potential bidders the opportunity to submit their requests for approved equals to the brand named vehicles. Requests for alternate vehicles as equals were received and approved after review. Vehicles meeting the technical requirements; specifically, Ford, Chevrolet, Toyota, and Pontiac were solicited.

In Phase II, sealed bids are due with twelve (12) bids received. Two (2) bids offered Pontiac vehicles in the full quantity of 135. Six (6) bids offered Ford vehicles; five of which offered the full quantity while one bid offered a lesser quantity of 27 vehicles. Four (4) bids offered Toyota vehicles; three of which offered the full quantity while one bid offered a lesser quantity of 40 vehicles.

The Diversity and Economic Opportunity Department (DEOD) did not recommend an MBE/WBE Voluntary Anticipated Level of Participation (VALP) goal for this procurement due to lack of subcontracting opportunities.

C. Evaluation Criteria

In accordance with Metro Procurement Policies and Procedures, Non-Revenue Operations of Quality Assurance Department performed a technical evaluation. It was determined that the lowest bid submitted by Victor Buick Pontiac GMC Truck for a total amount of \$2,362,013, inclusive of sales tax, is in full compliance to the specifications. Victor Buick Pontiac GMC Truck was the lowest responsive responsible bidder.

D. Cost/Price Analysis

The recommended price of \$2,362,013 has been determined to be fair and reasonable based upon adequate price competition, and selection of the lowest responsive and responsible bidder.

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

FOUR-DOOR SEDAN VEHICLES FOR NON-REVENUE FLEET

PRIME CONTRACTOR

Victor Buick Pontiac GMC Truck, Inc.

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment 0%

BID TABULATION

OP34342058 Four Door Sedan Vehicles

Bids Out: 06/13/07 Total: 49
 Bids Opened: 07/10/07 Total: 12
 Adv. Date: 06/14/07
 LA Watts Times, Daily Breeze, Daily News, OC Register, Rafu Shimpo, Chinese Daily News, LA Opinion

Item	Description	Qty	UM	Victor Buick Pontiac GMC Truck Inc.		Reynolds Buick/GMC Trucks, Inc		South Bay Ford		Burch Ford	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	Four-Door Sedan Vehicles Spec. QA-07-29-R1 with Operator's Manual	135	EA	\$16,117.98	\$2,175,927.30	\$16,545.00	\$2,233,575.00	\$16,834.00	\$2,272,590.00	\$16,878.00	\$2,278,530.00
1a	Four-Door Sedan Vehicles Spec. QA-07-29-R1 with Operator's Manual - if unable to commit to full quantity				\$0.00		\$0.00		\$0.00		\$0.00
2	Manuals	20	EA	\$249.00	\$4,980.00	\$0.00	\$0.00	\$280.00	\$5,600.00	\$395.00	\$7,900.00
	Subtotal				\$2,180,907.30		\$2,233,575.00		\$2,278,190.00		\$2,296,430.00
	Sales Tax 8.25%				\$179,924.85		\$184,269.94		\$187,950.68		\$188,630.48
3	California Tire Fee				\$1,181.25		\$2,362.50		\$1,181.25	Included	\$0.00
	Total Bid				\$2,362,013.40		\$2,420,207.44		\$2,467,321.93		\$2,475,060.48

Item	Description	Qty	UM	Bob Wondries Ford		Villa Ford		Santa Monica Ford		Penske Toyota	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	Four-Door Sedan Vehicles Spec. QA-07-29-R1 with Operator's Manual	135	EA	\$17,056.00	\$2,302,560.00	\$17,294.07	\$2,334,699.45	\$17,376.00	\$2,345,760.00	\$22,000.00	\$2,970,000.00
1a	Four-Door Sedan Vehicles Spec. QA-07-29-R1 with Operator's Manual - if unable to commit to full quantity				\$0.00		\$0.00		\$0.00		
2	Manuals	20	EA	\$0.00	\$0.00	\$335.00	\$6,700.00	\$198.00	\$3,960.00	\$400.00	\$8,000.00
	Subtotal				\$2,302,560.00		\$2,341,399.45		\$2,349,720.00		\$2,978,000.00
	Sales Tax 8.25%				\$189,961.20		\$193,165.45		\$193,851.90		\$245,686.00
3	California Tire Fee				\$1,181.25		\$1,181.25		\$1,181.25		\$1,181.25
	Total Bid				\$2,493,702.45		\$2,535,746.15		\$2,544,753.15		\$3,224,866.25

Item	Description	Qty	UM	Longo Toyota		Frontier Toyota		Downey Ford*		Carson Toyota*	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	Four-Door Sedan Vehicles Spec. QA-07-29-R1 with Operator's Manual	135	EA	\$22,237.00	\$3,001,995.00	\$22,489.00	\$3,036,015.00	\$0.00	\$0.00	\$0.00	\$0.00
1a	Four-Door Sedan Vehicles Spec. QA-07-29-R1 with Operator's Manual - if unable to commit to full quantity				\$0.00		\$0.00		\$517,023.00		\$838,320.00
2	Manuals	20	EA	\$400.00	\$8,000.00	\$632.00	\$12,640.00	\$0.00	\$0.00	\$460.00	\$9,200.00
	Subtotal				\$3,009,995.00		\$3,048,655.00		\$517,023.00		\$847,520.00
	Sales Tax 8.25%				\$248,324.59		\$251,514.04		\$42,654.40		\$69,920.40
3	California Tire Fee				\$1,181.25		\$1,181.25		\$236.25		\$350.00
	Total Bid				\$3,259,500.84		\$3,301,350.29		\$559,913.65		\$917,790.40

Note 2: Downey Ford bid 27 Vehicles at \$19,149.00 each.
 Note 3: Carson Toyota bid 40 Vehicles at \$20,958.00 each.

I hereby certify Victor Buick Pontiac GMC Truck, Inc. as being the lowest responsible bidder and recommend award to them for a total price, including sales tax, of \$2,362,013.40.

8/16/07

Amey Jay
 Signature

Date