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**OPERATIONS COMMITTEE
NOVEMBER 15, 2007**

SUBJECT: CONTRACT C0805, HOIST REPLACEMENT AT BUS MAINTENANCE DIVISIONS 3, 5, 9, 10, AND 18, PETERSON HYDRAULICS AND ROTARY LIFT, A JOINT VENTURE

ACTION: AUTHORIZE MODIFICATIONS TO CONTRACT NO. C0805 FOR AN AMOUNT NOT-TO-EXCEED \$900,000

RECOMMENDATIONS

- A. Approve Contract Modification Authority to Contract No. C0805, Hoist Replacement at Bus Maintenance Divisions 3, 5, 9, 10, and 18 with Peterson Hydraulics Inc. and Rotary Lift, a Joint Venture in the amount of \$900,000; and
- B. Authorize the Chief Executive Officer to execute contract modifications to Contract No. C0805, to provide replacement hoists at bus maintenance facilities, for an amount not to exceed \$900,000, allowing a potential increase to the Total Contract Value from \$2,998,765 to \$3,898,765.

RATIONALE

On January 25, 2007, the CEO approved a contract award to Peterson Hydraulics Inc. and Rotary Lift, a Joint Venture for \$2,998,765 to replace a total of 19 existing in-ground hoist assemblies at five bus maintenance facilities. All of the hoists to be replaced were over 20 years in age. Further, leaks had developed in the hydraulic systems of these hoists, and in some cases, the equipment had become inoperable. These conditions have caused inefficiencies to bus maintenance functions, high liability due to subsurface environmental contamination and an increase in operating costs due to heavy hydraulic fluid usage. The contract includes installation of two-post hoists for maintenance of 40 foot and 45 foot buses, and installation of three post hoists for 60 foot articulated buses. Construction activities for the base contract are currently ongoing and are approximately 45% complete as of the date of this report. All of the base contract work was funded by Capital Project 202007 In-Ground Bus Hoist Replacement, a project which will be completed and closed out upon satisfactory completion of the base contract work.

There is now a current need to furnish additional hoist sets to accommodate articulated buses and future facility modifications, which will be the first hoist replacements conducted under Capital Project 202203 In-Ground Bus Hoist Replacement Phase II. In order to

complete these hoist replacements prior to planned facility upgrades and articulated bus deployments, staff is requesting contract modification authority (CMA) in the amount of \$900,000 to allow the existing contractor for the Phase I work to begin work on the Phase II project. The requested CMA amount also includes authority to re-route underground piping and conduits if required as underground work proceeds. The additional CMA will cover the following:

- Division 3: The recently completed Division 3 Master Plan requires that four additional hoist sets be installed to accommodate facility modifications. Staff recommends that the most efficient and cost-effective means to install these four additional hoists is to use the existing contractor and modify the base contract. The scope of this work is included in the Phase II hoist project approved by the Board in the FY08 budget
- Division 9: Division 9 is scheduled to receive articulated buses in June 2008 and it is now necessary to change the lifts to three-post lifts which can be used to maintain articulated buses. The scope of this work is included in the Phase II hoist project approved by the Board in the FY08 budget.
- Divisions 3/5/9/10/18: The likelihood of encountering underground piping and unforeseen subsurface conditions is high when conducting this type of subsurface work, and it is reasonable to assume piping and unforeseen conditions may be encountered as these additional hoists are installed. The additional CMA will allow staff to re-route underground piping and electrical conduits if they are encountered during installation of the hoist replacement work.

Summaries of the procurement history on this contract are included in Attachment A.

IMPACTS TO OTHER CONTRACTS

Approval of this action will have no impact on other contracts.

FINANCIAL IMPACT

The funding for this action is included in the FY08 Budget in Cost Center 3341, Facilities under Capital Project No. 202203, In-Ground Bus Hoist Replacements Phase II, Line Item 53101. Approval of this action is within the Board approved life-of-project budget.

ALTERNATIVES CONSIDERED

The Board of Directors may choose to not authorize the contract modification authority. However, this alternative is not recommended, since rejection of the contract modification authority would result in additional procurement costs and delay in the provision of hoists that are required for facility modifications and the deployment of articulated buses. In addition, the Peterson Hydraulics based contract already has unit rates for hoists which would apply to the contract modifications, and they are the only approved vendor of Rotary

Lifts in the region. Further, staff would be unable to respond to unforeseen conditions and subsurface conduits that may be experienced during installation of the additional hoists.

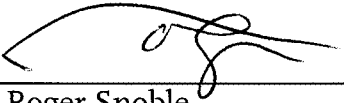
ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors
- B. Contract Modification Log

Prepared by: Frank Foster, Senior Contract Administrator
 Tim Lindholm, Director of Capital Projects, Facilities-Operations

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**HOIST REPLACEMENT AT BUS MAINTENANCE DIVISIONS
3, 5, 9, 10, AND 18**

1.	Contract Number: C0805		
2.	Recommended Vendor: Peterson Hydraulics Inc. and Rotary Lift, A Joint Venture		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$2,998,765	Recommended Price: \$2,998,765	
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued July 28, 2006		
	B. Publicized: July 31 and August 06, 2006		
	C. Pre-proposal Conference: August 14, 2006		
	D. Proposals Due: September 14, 2006		
	E. Pre-Qualification: November 08, 2006		
	F. Conflict of Interest Form Submitted to Ethics: December 22, 2006		
6.	Voluntary Anticipated Level of Participation (VALP):		
	A. VALP Proposal Goal: Ten Percent (10%) MBE Five Percent (5%) WBE	Date VALP Evaluation Completed: January 11, 2007	
	Voluntary Anticipated Level of Participation (VALP): 12.27% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: September 14, 2006
8.	Evaluation Information:		
	A. Bidders Name: 1. Peterson Hydraulics & Rotary Lifts a JV. 2. Metro Builders Inc.	<u>Bid / proposal Amount:</u> \$2,998,765 Non-Responsive	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: Lowest Bidder		
9.	Protest Information: N/A		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Frank Foster	Telephone Number: 922-3716	
11.	Project Manager: Andi Wang	Telephone Number: 922-4722	

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

**HOIST REPLACEMENT AT BUS MAINTENANCE DIVISIONS
3, 5, 9, 10, AND 18**

A. Background on Contractor

Peterson Hydraulics Inc., (PHI) located in Gardena; California has been in business for 20 years, and Rotary Lift (RL) located in Madison, Indiana has been in business for 75 years. They are a joint venture (JV) for this contract. PHI/RL have successfully provided heavy duty lifts to Metro, the Orange County Transit Authority, Antelope Valley Transit, Foothill Transit facility, and The City of Los Angeles Department of General Services.

RL has supplied PHI with hydraulic equipment installed throughout Metro Bus Divisions. The relationship shared by PHI and RL continues to this day with the Metro Hoist Replacement Project at Bus Maintenance Divisions 3, 5, 9, 10 and 18.

The Performance of PHI and RL under contract C0805, awarded January 2007 has been satisfactory to date.

B. Procurement Background

Contract No. C0805, Hoist Replacement at Bus Maintenance Divisions 3, 5, 9, 10 and 18, is a Capital Project approved by the Board on January 25, 2007. A firm fixed price contract, Contract No.C0805, was awarded to Peterson Hydraulics Inc., /Rotary Lift, a joint venture, the lowest responsive and responsible competitive bidder, for a total contract price of \$2,998,765.

The scope of work required the contractor to design and furnish all labor material and Equipment necessary to remove all existing hoist/lift systems, their related accessories and underground structures, and replace with new adjustable, self contained 2-post, 3-post or parallelogram hoist systems.

During excavation for the new hoists, there is a high likelihood that unforeseen field conditions related to underground electrical conduits and mechanical ducts could be encountered which will interfere with the installation work. The underground utility information was not disclosed during the bid process due to unavailability of accurate as-built drawings. Utility relocation work, if needed, will require an out-of-scope change.

Operations maintenance determined that leaks have developed in two post hydraulic hoist systems, and in some cases the equipment has become inoperable at Division 3. The hoist systems must be replaced. Division 9 is scheduled to receive articulated buses in June 2008. It is necessary to change the new lifts from 2-post lifts to 3-post lifts that can be used to maintain articulated buses. Based upon the possibility of

unforeseen conditions and the need for new additional hoists, a contract modification authority amount of \$900,000 is appropriate to complete the remaining divisions.

C. Evaluation of Proposals

Will be evaluated upon receipt

D. Cost/Price Analysis Explanation of Variances

Once estimates have been received on all change notices, staff will complete the cost analysis and negotiate the changes at a fair and reasonable price in compliance with Procurement Policies and Procedures.

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

**HOIST REPLACEMENT AT BUS MAINTENANCE DIVISIONS
3, 5, 9, 10, AND 18**

PRIME CONTRACTOR: PETERSON HYDRAULICS INC AND ROTARY LIFT JV

Voluntary Anticipated Level of Participation (VALP):

<u>Subcontractor's Name</u>	Commitment
Weaver Electric	9.04%
G & F Concrete Cutting	3.23%
Total VALP-Commitment	12.27%

Comments: Bidders responsiveness to the MBE VALP and WBE established for this project is strictly voluntary.

ATTACHMENT B

**Contract Modification Log
Contract C0805 (Hoist Replacement at Divisions 3, 5, 9, 10, and 18)**

Division	Description of Change	Rough Order Magnitude Cost	Justification
3	Add replacement of four 2-post hoists	\$550,000	This contract requires replacement of four existing hoists. However, the leaks have developed in the hydraulic systems of these hoists, and in some cases the equipment has become inoperable. Staff recommends installing the additional hoists by modifying the existing contract.
9	Replace 2-post hoists with 3-post hoists	\$150,000	This contract requires replacement of two existing hoists that are used to maintain standard buses. Since this division is scheduled to receive articulated buses in June 2008, it is necessary to change the new lifts to three-post lifts that can be used to maintain articulated buses.
3, 5, 9, 10, 18	Re-route existing electrical conduits that interfere with the new lift excavation	\$200,000	Due to the nature of this type of subsurface work, there is a high possibility that additional underground piping conduits could be encountered during the excavation of the new hoists. Contract adjustments may need to be made during construction to re-route the piping if encountered.
TOTAL		\$900,000	

