



Metro

Los Angeles County
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

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**OPERATIONS COMMITTEE
JANUARY 15, 2009**

SUBJECT: TURBOCHARGERS

ACTION: AWARD CONTRACT FOR TURBOCHARGERS

RECOMMENDATION

Authorize the Chief Executive Officer to award a 36-month, firm fixed price contract under Bid Number 09-0005 to the following lowest responsive, responsible bidders for turbochargers in an amount not to exceed \$5,750,565, inclusive of sales tax and two one-year options.

- A. LC Turbo, Inc. for line item #1 for a total contract value of \$3,470,376 inclusive of sales tax;
- B. Valley Power Systems Inc., for line item #2 for a total contract value of \$1,472,057 inclusive of sales tax; and
- C. Custom Turbo Rebuilding, Inc., for line item #3 for a total contract value of \$706,986 inclusive of sales tax.

RATIONALE

A turbocharger is a component that compresses the air going into the engine to provide extra power and burn the mixture of fuel in the cylinders more efficiently. All of the engines in our bus fleet need a turbocharger to operate. With us operating several types of engines in our fleet, several different models of turbochargers will be required. A turbocharger's life cycle is affected by a number of conditions including variable loads, engine types, pulse width stepper valve failures, etc. The warranty period for these turbochargers is one-year. This procurement will provide us with a supply of turbochargers at the lowest cost, and ensure they are available to avoid interruptions in service.

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

The turbochargers will be maintained in inventory and managed by Material Management. Each of the Service Sector operating divisions will maintain turbochargers in their stock rooms based on their individual consumption requirements. As the turbochargers are issued the appropriate Sector's budget project numbers and accounts are charged.

FINANCIAL IMPACT

The funding of \$799,000 for turbochargers is included in the FY09 budget under multiple bus operating cost centers and various operating projects under Line Item 50441, Parts – Revenue Vehicle. Since this is a multi-year contract, the cost center managers and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years. In FY08, a total amount of \$2,211,932 was expended on this category.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and continue to procure turbochargers on an as-needed basis at a higher cost. This approach is not recommended since it does not provide a commitment from the suppliers to ensure availability and price stability.

ATTACHMENTS

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

Prepared By: T. Allen, Procurement Planning Administrator
J. Roberts, Deputy Executive Officer, Operations

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Roger Snoble

Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

TURBOCHARGERS

1.	Contract Number: 09-0005		
2.	Recommended Vendors: LC Turbo, Inc. 2446 Main Street Ste, N, Chula Vista, CA 91911 Valley Power Systems, Inc., 425 South Hacienda Blvd., City of Industry, CA 91745 Custom Turbo Rebuilding, Inc., 11033 Shoemaker Ave, Santa Fe Springs, CA 90670		
3.	Cost/Price Analysis Information:		
	Bid/Proposed Price: \$5,750,565	Estimated Amount: \$5,750,565	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 8/21/08		
	B. Advertised: 8/22/08		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: 10/7/08		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation: 05%		
	A. Bid/Proposal Goal: 0% 5% goal recommended	Date Small Business Evaluation Completed:	
	Small Business Commitment:		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 21	Bids/Proposals Picked up: 21	Bids/Proposals Received: 6
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u> N/A
	Valley Power Systems, Inc.	\$ 5,583,907	
	LC Turbo, Inc.	\$ 6,554,731	
	Muncie Transit Supply	\$ 6,783,788	
	Custom Turbo Rebuilding, Inc.	\$ 6,994,955	
	DEPO	\$ 7,268.701	
	Brighton Cromwell, LLC	\$12,094,306	
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: 1/20/09		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018	
11.	Project Manager: Cathy Kaminski	Telephone Number: 213/922-5713	

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

TURBOCHARGERS

A. Background on Contractor

The responsive and responsible low bidder, LC Turbo, Inc. for line item 1 is located in Chula Vista, CA and has been in the turbocharger business, since 1993. LC Turbo, Inc. has distributed turbochargers parts to San Diego Metropolitan System, Orange County Transportation Authority, First Transit, Veolia Transportation, and Robertson Trucking.

The responsive and responsible low bidder, Valley Power Systems, Inc. for line item 2 is located in City of Industry, CA and has been in the bus parts business, since 1984. Valley Power System, Inc. has distributed bus parts, service and sales for heavy duty diesel engines and transmissions. Valley Power Supply, Inc. has distributed parts to Riverside Transit, Santa Cruz Metro; Santa Monica Big Blue Bus. In the past, Valley Power Systems, Inc. has provided satisfactory service and delivery of transit parts to us.

The responsive and responsible low bidder, Custom Turbo Rebuilding, Inc. for line item 3 is located in Santa Fe Springs, CA and has been in the bus parts business since 1968. Custom Turbo Rebuilding, Inc. has distributed bus parts to Orange County Transportation Authority, and the County of San Bernardino. In the past, Custom Turbo Rebuilding, Inc. has provided satisfactory service and delivery of transit parts to us.

B. Procurement Background

Evaluation of the six bids received was based on our approved manufacturer part numbers. Bidder #5 DEPO and Bidder #6 Tec of California were determined to be non-responsive to the solicitation requirements as set forth below in Section C.

The Diversity and Economic Opportunity Department recommended a 0% Disadvantaged Anticipated Levels of Participation (DALP) participation goal for this procurement.

C. Evaluation Criteria

Technical review and selection of the lowest responsive, responsible bidder.

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|-----------|--|
| Bidder #1 | Valley Power Systems, Inc. in the amount of \$5,583,907 is in full compliance to the technical and the bid specifications. |
| Bidder #2 | LC Turbo Inc. in the amount of \$6,554,731 is in full compliance to the technical and the bid specifications. |

- Bidder #3 Muncie Transit Supply in the amount of \$6,783,788 is in full compliance to the technical and the bid specifications.
- Bidder #4 Custom Turbo Rebuilding, Inc. in the amount of \$6,994,955 is in full compliance to the technical and the bid specifications.
- Bidder #5 DEPO in the amount of \$7,268,701 is in full compliance to the technical and the bid specifications for line items 1 and 2. On line item 3, Bidder is non-responsive because they did not submit documentation for an approved equal.
- Bidder #6 Tec of California in the amount of \$12,094,306 is non-responsive because they did not include certification forms and the Bidder Statement.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$5,750,565 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidders. Price savings based on historical figures is \$153,460.

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

TURBOCHARGERS

PRIME CONTRACTORS – LC Turbo, Inc.
Valley Power Systems Inc.
Custom Turbo Rebuilding, Inc.

Small Business Commitment

N/A

Total Commitment 0%

Other Subcontractors

N/A

Bids Out: 08/21/08. Total 21.
 Bids Opened: 10/07/08. Total 6.
 Advertisement Date(s): 08/22/08
 Newspaper: Daily News

Item No.	MTA Item Code	Description	Qty	UM	Valley Power Systems, Inc.		LC Turbo, Inc.		Muncie Reclamation and Supply	
					Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
12 MONTH										
1	179448	Turbocharger – Assembly Series 50G TK Series	398	EA	\$3,087.74	\$1,228,920.52	\$2,685.00	\$1,068,630.00	\$3,100.00	\$1,233,800.00
2	177534	Turbocharger Asm – GT35 1.04 A/R Electronic Waste Gate Exhaust 550G Eng. Model 6047MKG8 Only	127	EA	\$3,464.24	\$439,958.48	\$3,845.00	\$488,315.00	\$4,347.75	\$552,164.25
3	137130	Turbocharger – L10 Bravo CNG (4500-6600)	117	EA	no Bid	\$0.00	\$3,944.00	\$461,448.00	\$2,064.35	\$241,528.95
Sub Total						\$1,668,879.00		\$2,018,393.00		\$2,027,493.20
Sales Tax 8.25%						\$137,682.52		\$166,517.42		\$167,268.19
Total 12 Month						\$1,806,561.52		\$2,184,910.42		\$2,194,761.39
OPTION 1 - 12 MONTH										
1	179448	Turbocharger – Assembly Series 50G TK Series	398	EA	\$3,180.38	\$1,265,791.24	\$2,685.00	\$1,068,630.00	\$3,193.00	\$1,270,814.00
2	177534	Turbocharger Asm – GT35 1.04 A/R Electronic Waste Gate Exhaust 550G Eng. Model 6047MKG8 Only	127	EA	\$3,568.17	\$453,157.59	\$3,845.00	\$488,315.00	\$4,478.18	\$568,728.86
3	137130	Turbocharger – L10 Bravo CNG (4500-6600)	117	EA	no Bid	\$0.00	\$3,944.00	\$461,448.00	\$2,126.28	\$248,774.76
Sub Total						\$1,718,948.83		\$2,018,393.00		\$2,088,317.62
Sales Tax 8.25%						\$141,813.28		\$166,517.42		\$172,286.20
Total Option 1 - 12 Month						\$1,860,762.11		\$2,184,910.42		\$2,260,603.82
OPTION 2 - 12 MONTH										
1	179448	Turbocharger – Assembly Series 50G TK Series	398	EA	\$3,275.79	\$1,303,764.42	\$2,685.00	\$1,068,630.00	\$3,288.79	\$1,308,938.42
2	177534	Turbocharger Asm – GT35 1.04 A/R Electronic Waste Gate Exhaust 550G Eng. Model 6047MKG8 Only	127	EA	\$3,675.21	\$466,751.67	\$3,845.00	\$488,315.00	\$4,612.53	\$585,791.31
3	137130	Turbocharger – L10 Bravo CNG (4500-6600)	117	EA	no Bid	\$0.00	\$3,944.00	\$461,448.00	\$2,190.07	\$256,238.19
Sub Total						\$1,770,516.09		\$2,018,393.00		\$2,150,967.92
Sales Tax 8.25%						\$146,067.58		\$166,517.42		\$177,454.85
Total Option 2 - 12 Month						\$1,916,583.67		\$2,184,910.42		\$2,328,422.77
GRAND TOTAL						\$5,583,907.29		\$6,554,731.27		\$6,783,787.99

Bids Out: 08/21/08 Total 21
 Bids Opened: 10/07/08 Total 6
 Advertisement Date(s): 08/22/08
 Newspaper: Daily News

Item No.	MTA Item Code	Description	Qty	UM	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
12 MONTH										
1	179448	Turbocharger - Assembly Series 50G TK Series	398	EA	\$3,374.62	\$1,343,098.76	\$3,439.98	\$1,369,112.04	\$6,118.00	\$2,434,964.00
2	177534	Turbocharger Asm - GT35 1.04 A/R Electronic Waste Gate	127	EA	\$3,791.24	\$481,487.48	\$3,864.66	\$490,811.82	\$6,697.00	\$850,519.00
3	137130	Exhaust 550G Eng. Model 6047MKG8 Only	117	EA	\$1,753.39	\$205,146.63	\$1,781.54	\$208,440.18	\$2,211.00	\$258,687.00
		Turbocharger - L10 Bravo CNG (4500-6600)	117	EA						
		Sub Total				\$2,029,732.87		\$2,068,364.04		\$3,544,170.00
		Sales Tax 8.25%				\$167,452.96		\$170,640.03		\$292,394.03
		Total 12 Month				\$2,197,185.83		\$2,239,004.07		\$3,836,564.03
OPTION 1 - 12 MONTH										
1	179448	Turbocharger - Assembly Series 50G TK Series	398	EA	\$3,577.09	\$1,423,681.82	\$3,715.18	\$1,478,641.64	\$6,424.00	\$2,556,752.00
2	177534	Turbocharger Asm - GT35 1.04 A/R Electronic Waste Gate	127	EA	\$4,018.71	\$510,376.17	\$4,173.83	\$530,076.41	\$7,031.00	\$892,937.00
3	137130	Exhaust 550G Eng. Model 6047MKG8 Only	117	EA	\$1,858.59	\$217,455.03	\$1,924.06	\$225,115.02	\$2,321.00	\$271,557.00
		Turbocharger - L10 Bravo CNG (4500-6600)	117	EA						
		Sub Total				\$2,151,513.02		\$2,233,833.07		\$3,721,246.00
		Sales Tax 8.25%				\$177,499.82		\$184,291.23		\$307,002.80
		Total Option 1 - 12 Month				\$2,329,012.84		\$2,418,124.30		\$4,028,248.80
OPTION 2 - 12 MONTH										
1	179448	Turbocharger - Assembly Series 50G TK Series	398	EA	\$3,791.72	\$1,509,104.56	\$4,012.39	\$1,596,931.22	\$6,745.00	\$2,684,510.00
2	177534	Turbocharger Asm - GT35 1.04 A/R Electronic Waste Gate	127	EA	\$4,259.83	\$540,998.41	\$4,507.74	\$572,482.98	\$7,382.00	\$937,514.00
3	137130	Exhaust 550G Eng. Model 6047MKG8 Only	117	EA	\$1,970.11	\$230,502.87	\$2,077.98	\$243,123.66	\$2,437.00	\$285,129.00
		Turbocharger - L10 Bravo CNG (4500-6600)	117	EA						
		Sub Total				\$2,280,605.84		\$2,412,537.86		\$3,907,153.00
		Sales Tax 8.25%				\$188,149.98		\$199,034.37		\$322,340.12
		Total Option 2 - 12 Month				\$2,468,755.82		\$2,611,572.23		\$4,229,493.12
		GRAND TOTAL				\$6,994,954.50		\$7,268,700.61		\$12,094,305.94

I hereby certify LC Turbo, Inc., Valley Power Systems, Inc., Custom Turbo Rebuilding Inc. as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$5,750,565.

12/15/08
Date

A A Bachman
Signature

