



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

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**OPERATIONS COMMITTEE
FEBRUARY 19, 2009**

SUBJECT: BUS – MASTER OVERHAUL KITS

ACTION: AWARD CONTRACT FOR BUS – MASTER OVERHAUL KITS

RECOMMENDATION

Authorize the Chief Executive Officer to award a 36-month, firm fixed price contract under Bid Number 09-0011 to Valley Power Systems, Inc, the lowest responsive and responsible bidder for 1,800 bus Master Overhaul Kits for an amount not to exceed \$6,056,977, inclusive of sales tax and two-year option.

RATIONALE

The master overhaul kits are needed to overhaul Allison B400 bus transmissions. There are over 1,800 buses in our fleet that use this transmission. The transmissions are overhauled when they fail or as part of the on-going re-power and mid-life programs. Each complete kit contains over 50 parts.

Since the contract to be awarded is a “requirement type” agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation or commitment for us to order any or all of the master overhaul kits that may be required. The bid quantities are estimates only, with deliveries to be ordered and released as required.

Master overhaul kits will be purchased, maintained in inventory and managed by Material Management. As the master overhaul kits are issued, the appropriate budget project numbers and accounts are charged.

FINANCIAL IMPACT

The funding of \$374,120 for master overhaul kits is included in the FY09 budget in cost center 3441, Central Maintenance, under projects 203006, 203016 and 300050 and Line Item 50441, Parts – Revenue Vehicle. Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years. In FY08, a total amount of \$1,120,219 was expended on this category.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and continue to procure bus – master overhaul kits 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**

BUS –MASTER OVERHAUL KITS

1.	Contract Number: 09-0011		
2.	Recommended Vendor: Valley Power Systems, Inc., 425 Hacienda Blvd., City of Industry, CA 91745		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$ 6,056,977	Recommended Amount: \$6,056,977	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 10/1/08		
	B. Advertised: 10/2/08		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: 1/7/09		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation: 0%		
	A. Bid/Proposal Goal: 0% No goal recommended	Date Small Business Evaluation Completed:	
	Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 22	Bids/Proposals Picked up: 22	Bids/Proposals Received: 3
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	Valley Power Systems, Inc.	\$6,056,977	N/A
	Muncie Reclamation And Supply	\$8,006,328	
	Tec of California	\$8,315,548	
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: 2/24/09		
	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**

BUS –MASTER OVERHAUL KITS

A. Background on Contractor

The responsive and responsible low bidder, Valley Power Systems, Inc. is located in City of Industry, CA and has been in the bus parts business since 1984. Valley Power Systems, Inc. has distributed parts to other agencies, including Santa Monica Big Blue Bus, Orange County Transit Authority and Culver City Transit. In the past, Valley Power Systems, Inc. has provided satisfactory service and delivery of transit parts to us.

B. Procurement Background

Evaluation of the three bids received was based on the submittal of offers for our approved manufacturer part numbers. All bids were found to be responsive to the bid requirements and technical specifications.

The Diversity and Economic Opportunity Department did not recommend a 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 \$6,056,977 is in full compliance to the technical specifications and the bid requirements. |
| Bidder #2 | Muncie Reclamation and Supply in the amount of \$8,006,328 is in full compliance to the technical specifications and the bid requirements. |
| Bidder #3 | Tec of California in the amount of \$8,315,549 is in full compliance to the technical specifications and the bid requirements. |

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$6,056,977 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**

BUS – MASTER OVERHAUL KITS

PRIME CONTRACTOR BUS – MASTER OVERHAUL KITS

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment 0%

ATTACHMENT B

BID TABULATION

Item No.	MTA Item Code	Description	Qty	UM	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
<p>Bids Out: 10/01/08 Total 22 Bids Opened: 01/07/09 Total 3 Advertisement Date(s): 10/02/08 Newspaper: Daily News</p>										
<p>12 MONTH</p>										
1	13840	Bus Master Overhaul Kits	600	EA	\$3,017.12	\$1,810,272.00	\$3,910.20	\$2,346,120.00	\$4,204.00	\$2,522,400.00
		Sub Total				\$1,810,272.00		\$2,346,120.00		\$2,522,400.00
		Sales Tax 8.25%				\$149,347.44		\$193,554.90		\$208,098.00
		Total 12 Month				\$1,959,619.44		\$2,539,674.90		\$2,730,498.00
<p>OPTION 1 - 12 MONTH</p>										
1	13840	Bus Master Overhaul Kits	600	EA	\$3,107.63	\$1,864,578.00	\$4,105.71	\$2,463,426.00	\$4,204.00	\$2,522,400.00
		Sub Total				\$1,864,578.00		\$2,463,426.00		\$2,522,400.00
		Sales Tax 8.25%				\$153,827.69		\$203,232.65		\$208,098.00
		Total Option 1 - 12 Month				\$2,018,405.69		\$2,666,658.65		\$2,730,498.00
<p>OPTION 2 - 12 MONTH</p>										
1	13840	Bus Master Overhaul Kits	600	EA	\$3,200.85	\$1,920,510.00	\$4,311.00	\$2,586,600.00	\$4,395.00	\$2,637,000.00
		Sub Total				\$1,920,510.00		\$2,586,600.00		\$2,637,000.00
		Sales Tax 8.25%				\$158,442.08		\$213,394.50		\$217,552.50
		Total Option 2 - 12 Month				\$2,078,952.08		\$2,799,994.50		\$2,854,552.50
		GRAND TOTAL				\$6,056,977.20		\$8,006,328.05		\$8,315,548.50

I hereby certify Valley Power Systems, Inc. as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$6,056,977.

1/27/09
 Date

 Signature

