

**SYSTEM SAFETY AND OPERATIONS COMMITTEE
NOVEMBER 17, 2011**

SUBJECT: PULSE WIDTH STEPPER VALVES (PSV)

ACTION: AWARD CONTRACT FOR PSV VALVES

RECOMMENDATION

Authorize the Chief Executive Officer to award a 24-month, firm fixed price contract under Bid Number 12-0003 to Drake Controls-West, LLC, the lowest responsive and responsible bidder for the PSV valves for the natural gas bus fleet for an amount not to exceed \$2,541,595, inclusive of sales tax and a one year option.

ISSUE

This procurement is for the acquisition of PSV valves which are required for maintaining the safe and reliable operation of the bus fleet

DISCUSSION

The PSV valve is an integral part of the Series 50G natural gas engine fueling system that meters fuel delivery to the engine. There are 933 NABI buses with the Series 50 engine and each engine is equipped with one PSV valve.

The contract to be awarded is a "requirements 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 PSV valves that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

FINANCIAL IMPACT

The funding of \$742,000 for this product is included in the FY12 budget under multiple bus operating cost centers and various operating projects under Line 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 including any option exercised.

Impact on Bus and Rail Operating and Capital Projects

Procurement activities are funded by each project for which the contract is written. Therefore, bus and rail operating and capital projects fund any procurement activities that are required to implement those projects.

NEXT STEPS

Metro's requirements for PSV valves will be fulfilled under the provisions of the contract.

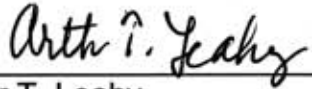
ATTACHMENTS

- A. Procurement Summary
- B. Bid Tabulation

Prepared By: T. Allen, Procurement Planning Administrator
M. Stange, DEO, Operations



Lonnie Mitchell
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

PSV VALVES

1.	Contract Number: 12-0003	
2.	Recommended Vendor: Drake Controls-West, LLC, 7050 Village Drive, Suite A, Buena park, CA 90621	
3.	Type of Procurement (check one) : <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP – A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 8/25/11	
	B. Advertised/Publicized: 8/30/11	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 10/6/11	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 11/16/11	
5.	Solicitations Picked up/Downloaded:26	Bids/Proposals Received: 3
6.	Contract Administrator: Tanya Allen	Telephone Number: (213) 922-1018
7.	Project Manager: Mike Stange	Telephone Number: (213) 922-5751

A. Procurement Background

This Invitation For Bid (IFB) is a formal sealed bid, competitive procurement issued in support of awarding a long term Master Agreement for PSV valves in order to ensure availability and price stability.

IFB 12-0003 was issued August 25, 2011 and advertised August 30, 2011. Contract type is a Firm-Fixed Price (FFP).

Two amendments were issued during the solicitation phase of this IFB; Amendment No. 1 issued on August 25, 2011 clarified changes to the Bid Form; and Amendment No. 2 issued September 7, 2011 revised the technical specifications, added a new approved equal submitted by a potential bidder and added a section for bidders to provide the core buy-back price, if applicable.

A total of three bids were received October 6, 2011. Drake Controls-West, LLC was determined to be the lowest responsive, responsible bidder.

B. Evaluation of Proposals/Bids

Evaluation of the three bids received was based on compliance with our general terms and conditions and the technical requirements. All bidders were found to be in full compliance.

	Bidder/Proposer Name	Bid/Proposal Amount	Best and Final Offer Amount	Note those that were disqualified as explained above:
1.	Drake Controls – West, LLC	\$2,541,595	N/A	N/A
2.	Muncie Reclamation and Supply	\$2,569,493	N/A	N/A
3.	New Flyer Industries, Canada ULC	\$6,521,248	N/A	N/A

C. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$2,541,595 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. Calculated price savings will be \$7,812 based on the difference between historical price and the bid price.

D. Background on Recommended Contractor

The responsive and responsible low bidder, Drake Controls-West, LLC is located in Buena Park, CA and has been a distributor of Woodward valves and related products for buses for 2 years. Drake Controls-West, LLC has provided similar valves to other transit agencies, including Southland Transit and Riverside Transit. To date, Drake Controls-West, LLC has not provided any product or service to Metro.

E. Small Business Participation

The Diversity and Economic Opportunity Department recommended a 5% Disadvantaged Business Enterprise Anticipated Levels of Participation (DALP) for this procurement. The recommended awardee, Drake Controls-West, LLC, did not list any DBE subcontractor nor commit to any DBE participation. However, staff is working with Drake Controls-West, LLC to utilize a DBE to transport PSV valves from their facility in Buena Park, CA.

Bids Out: 08/25/11 Total 26
 Bids Opened: 10/06/11 Total 3
 Advertisement Date(s): 08/30/11
 Newspaper: LA Daily News

Item No.	MTA Part No.	Description	Est. Qty	Unit	Unit Price	Total Price
12 Month						
1	137272	Valve - PSV Individually Boxed Only	840	EA	\$1,357.20	\$1,140,048.00
Sub Total					\$1,140,048.00	\$1,181,376.00
Sales Tax 8.75 %					\$99,754.20	\$103,370.40
Total 12 Month					\$1,239,802.20	\$1,284,746.40
Option 1						
1	137272	Valve - PSV Individually Boxed Only	840	EA	\$1,425.06	\$1,197,050.40
Sub Total					\$1,197,050.40	\$1,181,376.00
Sales Tax 8.75 %					\$104,741.91	\$103,370.40
Total Option 1					\$1,301,792.31	\$1,284,746.40
GRAND TOTAL					\$2,541,594.51	\$2,569,492.80
Drake Controls - West, LLC Drake Controls - West, LLC Unit Price Total Price						
Muncie Reclamation and Supply/DBA Muncie Transit Supply Unit Price Total Price						
New Flyer Industries Canada ULC Unit Price Total Price						

Drake Controls - West, LLC

I hereby certify \$2,541,594.51 as being the lowest responsible bidder and recommend the award to them for total price, including sales tax, of

Date

10/28/11

Signature

[Handwritten Signature]