

**SYSTEM SAFETY AND OPERATIONS COMMITTEE
MAY 17, 2012**

SUBJECT: BUS INSPECTION SERVICES

ACTION: EXECUTE CONTRACT MODIFICATIONS FOR BUS INSPECTION SERVICES

RECOMMENDATION

- A. Authorize the Chief Executive Officer to execute modification No. 7 to Contract No. OP33202167 with Vehicle Technical Consultants to provide bus inspection services for the manufacturing process in Kaposvar, Hungary for a period of fifteen months in the not-to-exceed amount of \$62,692 increasing the Total Contract Value from \$249,999 to \$312,691.
- B. Authorize the Chief Executive Officer to execute modification No. 6 to Contract No. OP33202168 with Vehicle Technical Consultants to provide bus inspection services for final assembly in Anniston, Alabama for a period of fifteen months in the not-to-exceed amount of \$58,769 increasing the Total Contract Value from \$232,553 to \$291,322.

ISSUE

In December 2011, the Metro Board approved the purchase of 100 forty-five foot NABI buses under Contract No. OP33202082, Contract Option No. 3 with North American Bus Industries (NABI).

In January 2012, the Board approved the purchase of an additional fifty CNG high capacity composite buses under Contract OP33202082, Contract Option No. 4 with NABI.

Title 49, CFR, Part 663, referred to as Buy America Requirements; require a resident inspector for the purchase of ten or more buses. Buy America regulations require, the grant recipient to send a resident inspector to the manufacturer's facility

during the final assembly period and to complete a final report of the construction activities.

DISCUSSION

Utilizing on-site bus inspectors helps ensure that the buses comply with all applicable Metro technical and contractual requirements.

Metro has determined that using contracted bus inspectors provides Metro with more detailed inspection records and documentation. Using contracted bus inspectors is also more cost-effective and less disruptive than relying exclusively on Metro staff to perform these same functions. Metro maintenance staff will still be present during production start-up and will also be involved with NABI in conducting final bus acceptance inspections as required by Metro's ATU collective bargaining agreement.

Contracts OP33202167 and OP33202168 are fixed-unit rate contracts (specified rate per bus) for bus inspection services of the composite bus shell in Kaposvar, Hungary and final assembly in Anniston, Alabama. The original contracts were awarded in June and July 2008, respectively. The base award for these contracts was for the inspection of 260 buses with options for inspecting up to 1,000 buses. Metro has exercised options for quantities of 132 bus inspections, which correlate to the options under Contract No. OP33202082. Contract Modifications have been issued to cover the initial inspection services on the option buses approved by the Metro Board.

DETERMINATION OF SAFETY IMPACT

The new buses that will be inspected under this contract are expected to have the latest safety equipment, and are expected to have superior safety features relative to the buses being retired/replaced.

FINANCIAL IMPACT

The funding of \$121,461 for this service is included in the life-of-project budget for project 201055, 150 45-Foot Compo Bus Buy, in cost center 3320 Vehicle Technology.

Since this is a multi-year contract/project, the cost center manager and Chief Operating Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

This project will be funded by a combination of FTA Grant Funding, State Prop 1B funding, and local Prop C 40% funding. This funding was previously identified in LOP 201055 for 45' Compo-buses, and the funding plan for this bus procurement project was previously approved by the Metro Board in January 2012. These funds are

available for bus operating and capital expenditures. No other source of funds was considered because these are the planned funds for bus replacement activities.

ALTERNATIVES CONSIDERED

Metro could rely exclusively on internal maintenance staff to provide line-inspections during NABI bus production. This alternative is not recommended because it takes away staff from core operating functions, and using Metro staff exclusively for this work is more costly than contracting it out. Additionally, contract bus inspectors are assigned to the manufacturing facilities for longer periods of time allowing for better continuity of the inspections and reduced travel expenses when compared to the cost of sending Metro staff.

NEXT STEPS

If this item is approved, staff would execute this contract extension and vendor would continue to perform new bus inspection work for buses under contract OP33202082 (150 Composite CNG Buses, awarded in January 2012).

ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification Authority
- C. Funding/Expenditure Plan

Prepared by: John Drayton, Manager, Vehicle Technology

Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer

[Signature]

Frank Alejandro
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY
Bus Inspection Services

| | | |
|----|---|-------------------------------------|
| 1. | Contract Number: OP33202167 and OP33202168 | |
| 2. | Recommended Vendor: Vehicle Technical Consultants | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input checked="" type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: N/A | |
| | B. Advertised/Publicized: N/A | |
| | C. Pre-proposal/Pre-Bid Conference: N/A | |
| | D. Proposals/Bids Due: N/A | |
| | E. Pre-Qualification Completed: N/A | |
| | F. Conflict of Interest Form Submitted to Ethics: April 30, 2012 | |
| | G. Protest Period End Date: TBD | |
| 5. | Solicitations Picked up/Downloaded: N/A | Bids/Proposals Received: N/A |
| 6. | Contract Administrator: Susan Dove | Telephone Number: (213) 922-7451 |
| 7. | Project Manager: John Drayton | Telephone Number: (213) 922-5882 |

A. Procurement Background

In January 2008, a competitive solicitation was issued for bus inspection services in connection with Contract No. OP33202082 with North American Bus Industries which was approved by the Board in January 2008. The approved bus contract was for the manufacture of 260 forty-five-foot low floor composite body CNG buses including options for an additional 740 forty-five-foot low floor composite body CNG buses.

The procurement methodology for the bus inspection services solicitation was technically acceptable lowest price. In response to the solicitation for bus inspection services in Kaposvar, Hungary and Anniston, AL, three proposals were received. Based on the review and evaluation of the proposals, all firms were deemed technically qualified to perform the work. Vehicle Technical Consultants Inc. proposed the lowest price inclusive of the contract option pricing. Under procurement delegation of authority. Contract No. OP33202167 and Contract No. OP33202168 were awarded in July 2008 and August 2008 respectively.

This Board Action is to modify the bus inspections services contracts pertaining to the purchase of 150 low-floor CNG buses under Contract No. OP33202082. The contract modifications for 100 and 50 buses were approved by the Metro Board in December 2011, and January 2012. Contracts OP33202167 and OP33202168 are firm fixed unit rate contracts based on an inspection rate per bus.

Six Contract Modifications under Contract No. OP33202167 have been issued since the Contract was executed in June 2008. Modification Nos. 1, 2 and 5 were for 41, 91 and 100 option respectively. Modification No. 2 also incorporated the American Recovery Reinvestment Act (ARRA) provisions. Modification Nos. 3 and 4 extended the period of performance to correlate with the revisions in the production schedule.

Six Contract Modifications under Contract No. OP33202168 have been issued since the Contract was executed in July 2008. Modification Nos. 1, 3 and 6 were for 41, 91 and 100 option respectively. Modification No. 2 incorporated the American Recovery Reinvestment Act (ARRA) provisions. Modification No 4 was for revisions in the production schedule. Modification No. 5 was issued to extend the period of performance.

B. Evaluation of Proposals/Bids

The evaluation of the proposals included an evaluation of option pricing prior to contract award. In order to determine if the prices were still fair and reasonable, a market survey was performed. Based on a market survey, it was determined that the option price is more reasonable than the prices available at the time the option is exercised.

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate, price analysis, technical evaluation, fact finding, and negotiations.

D. Background on Recommended Contractor

The recommended firm, Vehicle Technical Consultants (VTC) located in Lake Elsinore, CA has been in business for over seven years. VTC is a leader in the Bus Inspection Services field. Vehicle Technical Consultants specializes in all aspects of vehicle maintenance management, vehicle engineering and quality assurance oversight. The firm has performed services for SF Muni for El Dorado Buses, City of Merced for El Dorado Buses, City of Reno Nevada for El Dorado buses, Dallas Area Rapid Transit (DART), Metro NABI Composite Buses, and LACMTA NABI Steel Buses for similar services. Brent Sumrall, President, has over fifteen years experience. Prior to establishing VTC, he was employed by Parsons Brinckerhoff as maintenance supervisor. Previously, he worked as a subcontract administrator for Orange County Transportation Authority (OCTA).

E. Small Business Participation

Because of insufficient DBE availability or lack of identified subcontract opportunities, The Diversity & Economic Opportunity Department did not

recommend a Disadvantaged Business Enterprise (DBE) participation goal for this Procurement.

CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY
 CONTRACT NO. OP33202167
 BUS INSPECTION SERVICES – KAPOSVAR, HUNGARY

| MOD or CN/CO | Description | Value |
|---------------------------------------|---|-------------------|
| Phase I | | |
| MOD 1 | 41 Option Buses – Consent Decree | \$ 23,654 |
| MOD 2 | 91 Options Buses – American Recovery and Reinvestment Act (ARRA). | \$ 52,500 |
| MOD 3 | Period of Performance Extension | \$ 0 |
| MOD 4 | Period of Performance Extension | \$ 0 |
| MOD 5 | 150- Option Buses) | \$ 23,846 |
| Total Contract Modifications : | | \$ 100,000 |
| Total CMA Remaining: | | \$ 0 |

CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY
 CONTRACT NO. OP33202168
 BUS INSPECTION SERVICES – ANNISTON, AL

| MOD or CN/CO | Description | Value |
|---------------------------------------|---|------------------|
| MOD 1 | 41 Option Buses – Consent Decree | \$ 20,903 |
| MOD 2 | 91 Options Buses – American Recovery and Reinvestment Act (ARRA). | \$ 46,393 |
| MOD 3 | Period of Performance Extension | \$ 0 |
| MOD 4 | Period of Performance Extension/Production schedule revisions | \$ 15,000 |
| MOD 5 | 150- Option Buses) | \$ 17,704 |
| Total Contract Modifications : | | \$100,000 |
| Total CMA Remaining: | | 0 |

FUNDING PLAN FOR 45' COMPO BUSES (APPROVED IN JANUARY 2012)

Bus Purchase CP 201053 (FY12-13)

| Sources of funds (\$millions) | FY12 | FY13 | Total |
|-------------------------------|------|--------------|--------------|
| CMAQ | | | |
| Clean Fuel 5309 | | | |
| PC 40% | | 38,550,000 | 38,550,000 |
| TDA4 | | | |
| FTA Grant | | 9,730,211 | 9,730,211 |
| CA State CTC Funding | | | |
| Prop 1B Funding | | 38,550,000 | 38,550,000 |
| Local Funding | | | |
| Total | | \$86,830,211 | \$86,830,211 |

| Uses of funds (\$millions) | FY12 | FY13 | Total |
|----------------------------|------|--------------|--------------|
| Acquisition | | \$84,142,220 | \$84,142,220 |
| Pro Services | | 250,000 | 250,000 |
| Labor | | 600,000 | 600,000 |
| Travel | | 275,000 | 275,000 |
| Spare Parts | | 562,991 | 562,991 |
| Contingency | | 1,000,000 | 1,000,000 |
| | | | |
| Total | | \$86,830,211 | \$86,830,211 |