

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 ext
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
JANUARY 17, 2013****SUBJECT: BUS MANIFOLDS****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

Authorize the Chief Executive Officer to award a 24-month, firm fixed price contract under Bid Number 13-0006 to Valley Power Systems, the lowest responsive, responsible bidder for bus manifolds for an amount not-to-exceed \$2,501,314, inclusive of sales tax and a one-year option.

ISSUE

The acquisition of exhaust manifolds is critical to the bus fueling system, and maintaining the safe and reliable operation of the bus fleet. Award of contract will ensure that all operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards.

DISCUSSION

The exhaust manifold under this procurement is an integral part of the bus fueling system for those buses powered by Detroit Diesel, Series 50G engines. The manifold receives exhaust gases from the cylinders and conducts them to the exhaust pipe. The standard warranty period for manifolds is 12 months.

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 manifolds that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

Bus manifolds will be purchased, maintained in inventory and managed by Material Management. As the manifolds are issued, the appropriate budget project numbers and accounts are charged.

DETERMINATION OF SAFETY IMPACT

Award of contract will ensure that all operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards.

FINANCIAL IMPACT

The total contract amount is \$2,501,314. Funding of \$512,189 for these products is included in the FY13 budget under multiple cost centers, Line 50441, Parts–Revenue Vehicle, project 306002 Operations Maintenance.

Since this is a multi-year contract, the cost center manager, project manager and Executive Director, Maintenance will ensure that the balance of funds are budgeted in future years including any option exercised.

Impact to Budget

The source of funds for this procurement is bus operating funds. No other source of funds was considered because these funds are specifically designated for bus operations. The purchase of these bus manifolds under this contract type will insure that we maximize the price paid for installation, resulting in an overall savings in our preventive maintenance program.

ALTERNATIVES CONSIDERED

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

NEXT STEPS

Metro's requirements for manifolds will be fulfilled under the provisions of the contract. The notice of award will be issued in February 2013.

ATTACHMENTS

- A. Procurement Summary
- B. Bid Tabulation

Prepared By: Michael Stange, Interim Executive Director, Maintenance

Questions: Michelle Stewart, Assistant Administrative Analyst, Operations
(213) 922-7270

Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer

for *Frank Alejandro*

Frank Alejandro
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**PROCUREMENT SUMMARY
BUS MANIFOLDS**

1.	Contract Number: 13-0006	
2.	Recommended Vendor: Valley Power Systems, 425 S. Hacienda Blvd., City of Industry, CA 91745	
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: 9/6/12	
	B. Advertised/Publicized: 9/10/12	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 10/18/12	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 1/22/13	
5.	Solicitations Picked up/Downloaded: 31	Bids/Proposals Received: 2
6.	Contract Administrator: Tanya Allen	Telephone Number: (213) 922-1018
7.	Project Manager: Mike Stange	Telephone Number: (213) 922-5751

A. Procurement Background

Procurement of manifolds was conducted as a formal sealed bid, competitive acquisition, in support of awarding a long-term Master Agreement in order to ensure availability and price stability.

IFB 13-0006 was issued September 6, 2012 and advertised September 10, 2012. Contract type is Firm-Fixed Price (FFP). One Amendment was issued on September 24, 2012 to answer potential bidder's questions.

B. Evaluation of Proposals/Bids

A total of two bids were received October 18, 2012. The firm recommended for award, Valley Power Systems, was found to be in full compliance with the bid requirements.

C. Cost/Price Analysis

The recommended bid price of \$2,501,314 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

	Bidder/Proposer Name	Bid/Proposal Amount
1.	Valley Power Systems	\$2,501,314
2.	Muncie Reclamation and Supply	\$3,133,539

D. Background on Recommended Contractor

The responsive and responsible low bidder, Valley Power Systems, located in the City of Industry, CA has been a distributor of bus parts and other related vehicle products for 63 years. Valley Power Systems has provided similar products to other transit agencies including First Transit, Gold Coast, Long Beach Transit, MV Transportation, Omnitrans, OCTA, and Riverside Transit. To date, Valley Power Systems has provided satisfactory service and products to Metro on previous purchases.

E. Small Business Participation

The Diversity and Economic Opportunity Department recommended a 5% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this procurement. Valley Power Systems did not make DBE subcontractor commitments. Meeting the DALP is neither a condition of award nor an issue of responsiveness.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: 13-0006 Bus Manifolds

Bids Out: 09/06/12 Total 31
 Bids Opened: 10/18/12 Total 2
 Advertisement Date(s): 09/10/12
 Newspaper: LA Daily News

Item No.	MTA Part No.	Description	Qty	Unit	Valley Power Systems		Muncie Reclamation and Supply	
					Unit Price	Total Price	Unit Price	Total Price
12 MONTH								
1	137514	MANIFOLD - EXHAUST, S50G	480	EA	\$2,354.89	\$1,130,347.20	\$2,928.27	\$1,405,569.60
12 Month Total						\$1,130,347.20		\$1,405,569.60
OPTION 1								
1	137514	MANIFOLD - EXHAUST, S50G	480	EA	\$2,436.90	\$1,169,712.00	\$3,074.68	\$1,475,846.40
Option 1 Total						\$1,169,712.00		\$1,475,846.40
Option 1 and 12 Month Subtotal						\$2,300,059.20		\$2,881,416.00
Sales Tax 8.75%						\$201,255.18		\$252,123.90
GRAND TOTAL BASE AND OPTION						\$2,501,314.38		\$3,133,539.90

I hereby certify Valley Power Systems as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$2,501,414.38.

12/10/12
Date


Signature