

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922. . . .
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
JANUARY 17, 2013****SUBJECT: UNIVERSAL FARE SYSTEM (UFS) FARE COLLECTION EQUIPMENT
MID-LIFE MAINTENANCE PROGRAM****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

- A. Authorize the Chief Executive Officer to award a five-year firm fixed unit rate contract PS54302898 to Southern AM Engineering (SAE) to provide Fare Collection System (FCS) mid-life maintenance services in an amount not-to-exceed \$1,470,034.
- B. Adopt finding that there is only a single source of procurement for these mid-life maintenance services, and the purchase of these services is for the sole purpose of maintaining existing equipment already in use. The Board hereby authorizes the purchase pursuant to Public Utilities Code section 130237.

Requires Two-Thirds Vote**ISSUE**

The existing bus farebox collection equipment package (cashbox, mobile safe, and receiver vault) has a useful life of ten years and must be maintained to preserve functionality and performance. Per the established preventive maintenance schedule, the equipment has reached the point in which a mid-life overhaul is required that will extend the equipment's useful life. Staff contacted the Original Equipment Manufacturer (OEM), GFI Genfare, and was informed that mid-life overhaul services were not available for post-procurement equipment. Other contractors that participated in past overhaul programs; such as Cubic Transit Services (CTS) and CP Machine (CPM) declined the work because it was cost-prohibitive. A single contractor, SAE, is the only contractor that has the knowledge and experience to inspect, repair, and perform the overhaul.

DISCUSSION

The fare collection equipment mid-life maintenance program consists of performing maintenance on the cashbox, mobile safe, and receiver vault. This equipment has a useful life of ten years; ending in fiscal year 2017. Performing a mid-life equipment overhaul will extend the useful life to fiscal year 2025.

Staff will perform an evaluation to determine if specific farebox equipment upgrades are necessary to improve reliability and accommodate present/future technologies. They will work with TAP and various vendors to ensure that a thorough evaluation of equipment and technology will be completed and proper identification of upgrade options are presented. Regardless of the evaluation results, this mid-life overhaul of these components will ensure that the equipment is operational for an extended period of time.

DETERMINATION OF SAFETY IMPACT

Properly functioning farebox equipment will streamline passenger flow as they board the bus. This improves the safety of the operator and passengers. This action will continue Metro's efforts to provide safe, clean, on-time, and reliable service to our bus passengers.

FINANCIAL IMPACT

The total contract amount is \$1,470,034. Funding of \$264,000 is included in the FY13 budget in Cost Center 5430 - Central Electronic Maintenance Shops, line item 50316 – Professional Services, project 203034 – Revenue Collection Equipment Midlife Refurbishment.

Since this is a multi-year contract, the cost center manager, project manager, and executive director will ensure that the balance of funds are budgeted in future years.

Impact to Budget

This activity is funded with Transportation Development Act Article 4. This fund is eligible for transit capital improvements and Bus and Rail Operations.

ALTERNATIVES CONSIDERED

Staff considered not performing this mid-life maintenance service. This is not recommended since normal operational maintenance will not address the level of work that is required to ensure that the equipment life-cycle is extended to meet the anticipated completion of the farebox equipment evaluation. To replace the components by purchasing new parts as they fail beyond repair would not be cost effective since that would exceed the life-cycle per-unit cost under the original procurement contract.

NEXT STEPS

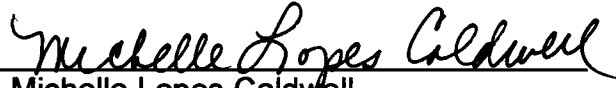
Upon Board approval, award of the contract will be made to SAE to commence maintenance activities on the farebox equipment. The mid-life effort will begin in January 2013. Completion is scheduled for fiscal year 2017.

ATTACHMENTS

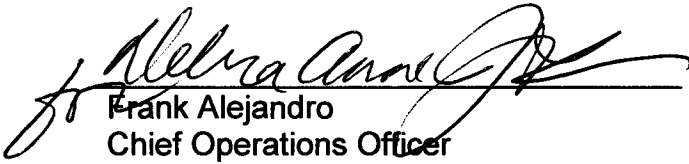
A. Procurement Summary

Prepared by: Jesus Godinez, Asst. Equipment Maintenance Manager
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Questions: Michelle Stewart, Assistant Administrative Analyst, Operations
(213) 922-7270



Michelle Lopes Caldwell
Chief Administrative Services Officer



Frank Alejandro
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

REVENUE COLLECTION EQUIPMENT MID-LIFE MAINTENANCE

1.	Contract Number: PS54302898	
2.	Recommended Vendor: Southern AM Engineering	
3.	Type of Procurement (check one) : <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP – A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 7/26/2012	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 8/27/2012	
	E. Pre-Qualification Completed: 9/4/2012	
	F. Conflict of Interest Form Submitted to Ethics: 8/27/2012	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: N/A	Bids/Proposals Received: 1
6.	Contract Administrator: Mark Lu	Telephone Number: (213) 922-4689
7.	Project Manager: Jesus Godinez	Telephone Number: (213) 922-5856

A. Procurement Background

This is a non-competitive procurement issued in support of bus fare collection system mid-life maintenance services.

After market research and outreach, Southern AM Engineering (SAE) was the only fabricator who was able to provide an alternative to Original Equipment Manufacturer (OEM) design and performance.

Procurement staff performed an analysis of the proposed service in accordance with our Acquisition Policy Manual covering a non-competitive procurement. It was determined that pursuant to Section 11.5 B.2, Acquisition Policy and Procedure Manual, it is in our best interest to meet this requirement through procurement of the specific service and that the proposed contractor is the only source for the specific service.

B. Evaluation of Proposals/Bids

After conducting a survey of potential contractors, it was determined that only a single source was able to complete this service. Therefore only one source was solicited. Staff has completed its proposal technical evaluation and has deemed the proposal technically responsive to Metro's requirements. An initial proposal review has been performed and staff is awaiting findings on the final review by Compliance Audit group.

	Bidder/Proposer Name	Bid/Proposal Amount	Best and Final Offer Amount
1.	SAE	\$1,470,034	\$1,470,034

C. Cost/Price Analysis

The recommended contractor's price proposal was evaluated in compliance with Metro's Acquisition Policies and Procedures. Staff conducted a comprehensive evaluation to determine that the final firm fixed price is fair and reasonable based upon cost analysis, technical evaluation, and negotiations.

Upon completion of these tasks, staff will commence negotiations with the goal of finalizing and awarding a Firm-Fixed Price Contract by January 2013.

D. Background on Recommended Contractor

Southern AM Engineering (SAE) is located in Santa Fe Springs, California, established in 2007 and specialized in reverse engineering of electric, electronic and mechanical components of transit systems. SAE has over 75 years of human capital experience with projects related to reverse engineering OEM parts to original specifications for public transit sectors.

SAE has successfully completed the following fare collection system reverse engineering and repair/maintenance projects for Metro:

- Lock housing covers;
- Components for receiver vault and mobile safe;
- Revenue box repair;
- Fare box power supply replacement.

SAE also serves as advisor to local transit authorities on escalated technical/operational issues that may directly affect transit service to the public

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Small Business Enterprise (SBE) goal for this solicitation. Southern AM Engineering (SAE) made a 10.58% SBE commitment.

Small Business Goal	SBE 5%	Small Business Commitment	SBE 10.58%
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	Subcontractor	% Committed
1.	Earl Security	0.40%
2.	Talmo and Associates	10.16%
3.	Manatek Insurance	0.02%
	Total Commitment	10.58%