

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
JUNE 20, 2013****SUBJECT: AIR DRYERS****ACTION: AWARD CONTRACTS FOR AIR DRYERS****RECOMMENDATION**

Award a 24-month, firm fixed price contract under Bid Number 13-0036 to the following lowest responsive and responsible bidders for air dryers for an amount not-to-exceed \$2,329,076, inclusive of sales tax and a one-year option.

1. Vehicle Maintenance Program, Inc. for line items 1, 3, and 4 (Various Air Dryers), for a total contract value of \$859,930 and;
2. NABI for line item 2 (Dryer Assembly) for a total contract value of \$1,469,146.

ISSUE

Air dryers are needed to maintain and service all the various bus models in our fleet. Metro replaces approximately 2,340 air dryers each month.

DISCUSSION

The air compressor system on a bus creates water moisture and collects other contaminants when it compresses the air. The air dryer separates the moisture and contaminants from the air prior to entering the pneumatic system.

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

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The funding of \$1,058,924 for these products is included in the FY14 budget under multiple bus operating 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 be accountable for budgeting the cost in future fiscal 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.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and continue to procure air dryers 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.

NEXT STEPS

Metro's requirements for air dryers will be fulfilled under the provisions of the contract.

ATTACHMENTS

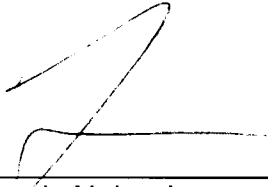
- A. Procurement Summary
- B. Bid Tabulation

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Michelle Lopes Caldwell

Michelle Lopes Caldwell
Chief Administrative Services Officer



Frank Alejandro
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**PROCUREMENT SUMMARY
AIR DRYERS**

1.	Contract Number: 13-0036	
2.	<u>Recommended Vendor:</u> <ul style="list-style-type: none"> • NABI, 2338 U.S. Highway 42 south, Delaware, OH 43015 • Vehicle Maintenance Program, 3595 N. Dixie Bay #7, Boca Raton, FL 33431 	
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: 2/28/13	
	B. Advertised/Publicized: 3/3/13	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 4/19/13	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 6/17/13	
5.	Solicitations Picked up/Downloaded: 26	Bids/Proposals Received: 6
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 air dryers 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 13-0036 was issued February 28, 2013 and advertised March 3, 2013. Contract type is Firm-Fixed Price (FFP) and no amendments were issued.

B. Evaluation of Proposals/Bids

A total of six bids were received April 19, 2013. The firms recommended for award, NABI and Vehicle Maintenance Program, Inc. were found to be in full compliance with the bid requirements.

	Bidder/Proposer Name	Bid/Proposal Amount	Note those that were disqualified as explained above
1.	NABI	\$2,386,862	N/A
2.	Muncie Reclamation and Supply	\$2,760,455	N/A
3.	New Flyer Industries Canada ULC	\$2,796,102	N/A
4.	Gillig LLC	\$2,644,878	N/A
5.	Valley Power Systems, Inc.	\$900,169	Only bid items 1, 3, and 4
6.	Vehicle Maintenance Program, Inc.	\$859,930	Only bid items 1, 3, and 4

C. Cost/Price Analysis

The recommended bid price of \$2,329,076 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidders. Price savings based on historical data is \$46,721.

D. Background on Recommended Contractor

The responsive and responsible low bidder for line items 1, 3 and 4, Vehicle Maintenance Program, Inc., is located in Boca Raton, FL and has been a bus manufacturer and after market distributor of bus parts and other related products for 24 years. Vehicle Maintenance Program, Inc. has provided similar products to other transit agencies including NYCTA, AC Transit, DART, WMATA, Miami Dade and others. To date, Vehicle Maintenance Program, Inc. has provided satisfactory service and products to Metro on previous purchases.

The responsive and responsible low bidder for line item 2, NABI is located in Delaware, OH and has been a bus manufacturer and after market distributor of bus parts and other related products for 20 years. NABI has provided similar products to other transit agencies including New Jersey Transit, GCRTA – Cleveland, and MDTA - Miami, and other agencies. To date, NABI 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. The recommended awardees did not list any DBE subcontractor nor commit to any DBE participation. Achieving the DALP percentage is neither a condition of award nor an issue of responsiveness.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: 130036 Air Dryers

Bids Out: 02/28/13 Total 26
 Bids Opened: 04/19/13 Total 6
 Advertisement Date(s): 03/03/13
 Newspaper: Daily News

Item No.	MTA Part No.	Description	QTY	UM	North American Bus Industries		Muncie Reclamation and Supply dba Muncie Transit Supply		New Flyer Industries Canada ULC		Gillig LLC		Valley Power Systems, Inc.		Vehicle Maintenance Program Inc.	
					Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
12 MONTH BIDDING																
1	141042	Dryer - Air Turbo-2000 12V STD W/Filtration Plus Option	432	EA	\$204.17	\$88,201.44	\$210.75	\$91,044.00	\$232.78	\$100,560.96	\$204.62	\$88,395.84	\$200.27	\$86,516.64	\$191.49	\$82,723.68
2	142583	Dryer Asm - Air sludge Breaker 24V	780	EA	\$864.00	\$673,920.00	\$1,039.95	\$811,161.00	\$1,013.85	\$790,803.00	\$1,003.12	\$782,433.60	no bid	\$0.00	no bid	\$0.00
3	142632	Dryer- Air, Turbo-2000 24V STD-W/Filtration Plus Option	768	EA	\$204.17	\$156,802.56	\$210.75	\$161,856.00	\$232.78	\$178,775.04	\$198.66	\$152,570.88	\$200.27	\$153,807.36	\$191.23	\$146,864.64
4	184060	Dryer Asm - Air, Brake Master H.C. Dual Turbo 2000 24V	360	EA	\$460.28	\$165,700.80	\$475.88	\$171,316.80	\$524.76	\$188,913.60	\$461.28	\$166,060.80	\$451.47	\$162,529.20	\$431.71	\$155,415.60
SUBTOTAL						\$1,084,624.80		\$1,235,377.80		\$1,259,052.60		\$1,189,461.12		\$402,853.20		\$385,003.92
Option 1																
1	141042	Dryer - Air Turbo-2000 12V STD W/Filtration Plus Option	432	EA	\$214.37	\$92,607.84	\$221.29	\$95,597.28	\$244.41	\$105,585.12	\$212.80	\$91,929.60	\$210.28	\$90,840.96	\$200.89	\$86,784.48
2	142583	Dryer Asm - Air sludge Breaker 24V	780	EA	\$864.00	\$673,920.00	\$1,091.95	\$851,721.00	\$1,044.27	\$814,530.60	\$1,043.24	\$813,727.20	no bid	\$0.00	no bid	\$0.00
3	142632	Dryer- Air, Turbo-2000, 24V STD-W/Filtration Plus Option	768	EA	\$214.37	\$164,636.16	\$221.29	\$169,950.72	\$244.41	\$187,706.88	\$206.61	\$158,676.48	\$210.28	\$161,495.04	\$200.63	\$154,083.84
4	184060	Dryer Asm - Air, Brake Master H.C. Dual Turbo 2000 24V	360	EA	\$483.29	\$173,984.40	\$499.67	\$179,881.20	\$550.99	\$198,356.40	\$479.72	\$172,699.20	\$474.04	\$170,654.40	\$452.93	\$163,054.80
SUBTOTAL						\$1,105,148.40		\$1,297,150.20		\$1,308,179.00		\$1,237,032.48		\$422,990.40		\$403,923.12
SUBTOTAL BASE PLUS OPTION						\$2,189,773.20		\$2,532,528.00		\$2,565,231.60		\$2,426,493.60		\$825,843.60		\$788,927.04
SALES TAX 9%						\$197,079.59		\$227,927.52		\$230,870.84		\$218,384.42		\$74,325.92		\$71,003.43
GRAND TOTAL						\$2,386,852.79		\$2,760,455.52		\$2,795,102.44		\$2,644,878.02		\$900,169.52		\$859,930.47

I hereby certify Vehicle Maintenance Program and NABI as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$2,329,076.

5/23/13
Date

RA Bachman
Signature