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October 18, 1996

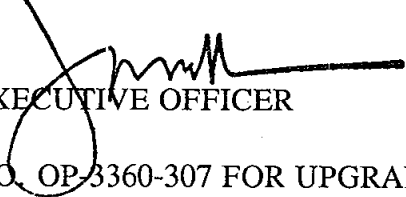
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TO: BOARD OF DIRECTORS

FROM: JOSEPH E. DREW, CHIEF EXECUTIVE OFFICER 

SUBJECT: CONTRACT AWARD: IFB NO. OP-3360-307 FOR UPGRADE OF UNDERGROUND STORAGE TANK (UST) MONITORING SYSTEMS AT DIVISIONS 1, 2, AND 12

RECOMMENDATION

- a) Reject the non-responsive bids submitted by H.B. Covey, Inc., Pomona, and Wayne Perry, Inc., Buena Park, for non-compliance with DBE requirements; and
- b) award a contract to Charles E. Thomas Co., Gardena, the lowest responsive, responsible bidder, for the Upgrade of Underground Storage Tank Monitoring Systems at Divisions 1, 2, and 12, for a fixed price of \$163,743.

ORGANIZATIONAL IMPACT

The existing underground tank monitoring systems at Divisions 1, 2, and 12 do not meet the current regulations and must be brought into compliance. Failure to do so may result in fines or other penalties which could affect service.

BUDGET IMPACT

The funding for this procurement is contained in Grant Number CA-90-X664.

ALTERNATIVES CONSIDERED

The Agency could choose not to bring these tank monitoring systems into compliance. However, this is not recommended since Federal and State laws require that all underground tank associated systems be upgraded by December 22, 1998.

BACKGROUND AND/OR DISCUSSION

Upgrade of the tank monitoring systems at all MTA operating facilities is an important element of the underground tank replacement program. The system provides fuel inventory data and detects leaks when they occur. As each tank farm is replaced, the monitoring systems will also be upgraded. All tanks at Divisions 1, 2, and 12 are double-walled and in compliance with the regulations, however, the monitoring systems are outdated and malfunctioning. Therefore, new systems with enhanced features are required to be installed at these locations.

On August 30, 1996, IFB No. OP-3360-307 was issued and advertised. On October 1, 1996, eight bids were received as follows:

<u>Bidder</u>	<u>Price</u>
H.B. Covey, Inc.	\$129,500
Wayne Perry, Inc.	\$148,115
Charles E. Thomas Co.	\$163,743
A-Wang Construction	\$178,000
Tait Environmental	\$214,700
Underwood Loss Control	\$256,183
Environmental Restoration	\$257,270
A.E. Schmidt Environmental	\$260,000

Staff reviewed the technical capabilities of the lowest three bidders and found them to be qualified to perform the work and in possession of the proper licenses. Both H.B. Covey and Wayne Perry are non-responsive to the DBE requirements. Thus, Charles E. Thomas is the lowest responsive and responsible bidder. Its bid amount is within the Engineer's estimate for this project and considered to be fair and reasonable.

DBE PARTICIPATION

The DBE participation goal for this procurement is 10%. Both H.B. Covey and Wayne Perry failed to meet this goal. The recommended firm, Charles E. Thomas Co., is in compliance with this requirement.

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Ellen G. Levine
Executive Officer, Transit Operations