



**SUBJECT: NETWORK EQUIPMENT**

Metropolitan  
Transportation  
Authority

**ACTION: AWARD CONTRACT TO NETWORK CATALYST, IBM, AND  
CORPINFO SERVICES**

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**RECOMMENDATION**

Award firm fixed price contracts under Bid No. 03-0123 to the following lowest responsive and responsible bidders for computer network equipment for a total contract value of \$3,703,982 inclusive of sales tax:

- A. Network Catalyst, for Lot A, CISCO network equipment for an amount of \$3,279,650.04 inclusive of sales tax and equipment trade-in allowance;
- B. International Business Machines Corporation, for Lot B, Netfinity Servers for an amount of \$197,233.92 inclusive of sales tax; and
- C. CorpInfo Services, for Lot C, KENTROX network equipment for an amount of \$227,098.08 inclusive of sales tax.

**RATIONALE**

In FY99, two Capital Improvement Projects, Division Network Construction Project and USG Network Infrastructure Project, were approved to build-out the MTA network to its bus and rail sites to support the ability to collect, exchange and process information quickly among MTA personnel regardless of location. This acquisition is to procure the required communications equipment for each site, including upgrades to the USG site, to accommodate the projected increase in network traffic when all sites are fully connected.

In 1994, with the construction of its headquarters building, the initial, and primary segment of MTA's modern communications network was built utilizing CISCO network equipment as the foundation. During the mid-1990's, as the MTA identified the need to upgrade its application systems, such as FIS, TOTS, VMS, and HR/Payroll, it was evident that the communications network would need to be extended to all MTA locations in order to provide personnel access to these new application systems. After approval of the Capital Improvement Projects, MTA's Network Engineers began the work to plan and design the network build-out, including the upgrade of the primary network segment at USG to handle the anticipated increase in network traffic.

With the work to extend the communications network scheduled to begin shortly, procurement of the network equipment was initiated. In order to maintain the seamless integration of the network system, the equipment to be procured must be fully inter-operable with the existing network components.

### **FINANCIAL IMPACT**

The funding of \$3,703,982 for computer network equipment is included in the FY01 budget in cost center 9230, ITS Network Engineering under Project 200020, Task 05.02.6 and Task 05.02.7, USG Network Infrastructure Upgrade and Division Network Construction Projects, Account 50432-Computer Equipment. In FY01, no funds were expended on this line item.

### **ALTERNATIVES CONSIDERED**

The alternative is to not purchase the equipment necessary to build out the network to the bus and rail divisions. This alternative is not recommended, as it will preclude the planned implementation of many replacement or new systems, such as VMS, MMS and UFS, that support bus and rail operations. Also, it will prohibit the future adoption of any new technology that requires network connectivity. The inability to deploy new technology would be detrimental to obtaining efficiency gains in our operational areas.

### **PROCUREMENT SUMMARY**

The Procurement Department advertised Invitation for Bid Number 03-0123 on February 16, 2001. The notice of availability was mailed to 80 potential bidders. On May 10, 2001, 19 bids were received and opened.

As part of the basis of award, the bid specifications included a provision for a trade-in allowance on the IBM equipment that is being replaced. The low bid submitted by Network Catalyst on Lot A reflects a trade-in value of \$98,700 for this old equipment.

The bid prices for the different types of equipment in this procurement include a minimum one-year warranty. The warranty for most of the equipment also includes on-site service.

In accordance with MTA's Procurement Policy and Procedures, a technical evaluation was performed by the ITS Department. Based on the analysis it was determined that the vendors recommended for award are the lowest responsive, responsible bidders.

A protest was received from International Data Systems (IDS) regarding their request for Approved Equal. It was determined that the equipment offered by IDS was not Approved Equal, therefore, IDS' protest was denied.

The apparent low bid submitted by CLT Computer, Inc was rejected because CLT did not bid on all items within a specified lot. Further, CLT did not submit the Pre-Qualification Application

according to the requirements of this solicitation, therefore CLT is non responsive. RCA Computer Corporation requested to withdraw its bid due to an apparent mathematical error.

Refer to Attachment A, Procurement Summary, for further details.

**COST/PRICE ANALYSIS**

<b>Line Item #</b>	<b>Bidder</b>	<b>Total Award Amount</b>	<b>Historical Price</b>
Lot A	Network Catalyst	\$3,279,650.04	None
Lot B	IBM	\$197,233.92	None
Lot C	CorpInfo Services	\$227,098.08	None
	<b>Total Bid</b>	<b>\$3,703,982</b>	
		<b>Total Variance</b>	None

The recommended multiple award bid price of \$3,703,982 has been determined to be fair and reasonable based upon selection of the lowest responsive and responsible bidders and price analysis.

**SMALL BUSINESS PARTICIPATION**

The Small Business Diversity Unit (SBD) did not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this procurement. Based on industry practices, it is expected that the Prime Contractor (Prime) will provide all products with minimal, if any, subcontracting.

Pursuant to the DBE Program requirements, if the Prime proposes to use the services of subcontractors, the Prime is expected to afford maximum opportunities to DBEs in subcontract and supply service areas. Upon request, the Prime is required to submit documentation to satisfy that good faith efforts were made to utilize DBEs throughout the life of the contract.

**ATTACHMENTS**

- A. Procurement Summary
- B. Bid Tabulation

Prepared by: Mark Lu, Buyer  
 Elizabeth Bennett, Chief Information Officer



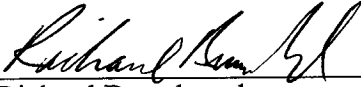
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Colonus Mitchell  
Executive Officer, Procurement



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Frank Cardenas,  
Executive Officer, Administration



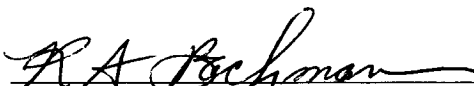
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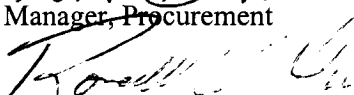
Richard Brumbaugh  
Chief Financial Officer

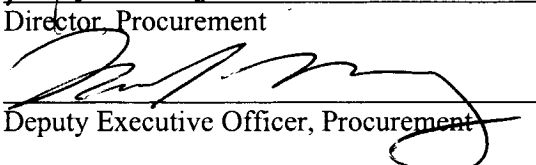
**Procurement: Computer Network Equipment**  
**Board Date: 6/21/01**

**BOARD REPORT ATTACHMENT "A"**  
**PROCUREMENT SUMMARY**  
**SEALED BID**

1.	Independent Estimate: \$ 4,371,190
2.	Recommended Vendor:
	Network Catalyst, \$3,279,650.04
	International Business Machines Corporation, \$197,233.92
	CorpInfo Services, \$227,098.08
	Total Dollar Amount: \$3,703,982.04
3.	Description of Equipment or Material: Computer Network Equipment
4.	Contract Type: Fixed Price
5.	Issued: 02/16/01
6.	Advertised: 02/17/01
7.	DBE Participation Goal? Zero
	Responsive? N/A
8.	No. of Bid notifications sent (postcards): 296
9.	No. of Bids Picked up by Vendors: 80
10.	Pre-Bid Conference: 03/02/2001
11.	Date bids opened: 5/10/2001
12.	No. of bids received: 19
13.	Staff analysis: See attached tabulation sheet
	1. List Bidders and Bid Prices
	2. Tech Analysis-Responsiveness: Yes
14.	Protest Received: 1
	Disposition of Protest/Appeal: Protest denied, No appeal filed
15.	Award to Other than Low Bid? Yes, Bidder didn't bid on all items in a specific lot
16.	Conflict of Interest form submitted to Ethics? 5/18/01
17.	EO Evaluation Completed: N/A
18.	Pre-Qualification Completed? Yes
19.	Audit Report Status: N/A
20.	Contract Administrator: Mark Lu
	Tel: 922-4689
21.	Project Manager: Elizabeth Bennett
	Tel: 922-2452

Concur:   
 Manager, Procurement

Concur:   
 Director, Procurement

Concur:   
 Deputy Executive Officer, Procurement

**Los Angeles County Metropolitan Transportation Authority  
 Bid No. 03-0123 Computer Network equipment  
 Bid Tabulation Summary Sheet**

Bid Out: 02/16/2001  
 Total bids Sent Out: 80  
 Total bids received: 19  
 Bid Opening Date 05/10/2001  
 No Bids: 3  
 Advertisement Date 02/17/2001  
 Newspaper Advertised In: Daily News

	<b>Bidder</b>	<b>Trade-In</b>	<b>* Lot A Total</b>	<b>Lot B Total</b>	<b>Lot C Total</b>	<b>Freight</b>	<b>** Total Bid</b>	<b>Notes</b>
1	Network Catalyst	\$98,700.00	\$3,279,650.04	No Bid	No Bid	Included	\$3,279,650.04	
2	MicroAge Computermart	\$103,342.00	\$3,396,382.50	\$269,906.56	\$234,851.01	Included	\$3,901,140.07	
3	IBM	\$124,860.00	\$3,436,378.56	\$197,233.92	\$255,978.36	\$31,200.00	\$3,920,790.84	
4	Global Computer Solution	\$103,342.00	\$3,766,891.91	\$289,242.36	\$253,214.64	Included	\$4,309,348.91	
5	Jeskell	\$2,700.00	\$3,683,010.60	\$228,520.44	\$228,490.20	Included	\$4,140,021.24	
6	NEC	\$118,060.08	\$4,792,622.04	No Bid	\$281,204.03	Included	\$5,073,826.07	
7	RCA Computer Corp.	\$500.00	\$3,779,715.96	\$297,739.80	\$121,603.68	Included	\$4,199,059.44	request to withdraw bid
8	Kent Datacom	\$118,060.08	\$3,525,604.01	\$331,474.95	\$273,735.94	Included	\$4,130,814.90	
9	Pacific Bell	\$118,060.02	\$3,363,746.59	\$288,634.90	\$224,880.67	\$16,500.00	\$3,893,762.16	
10	Sayers	\$118,060.00	\$3,594,549.53	\$297,267.55	\$266,980.32	Included	\$4,158,797.40	
11	Memco System	\$91,537.00	\$3,499,304.05	\$224,972.08	\$230,950.99	Included	\$3,955,227.12	
12	Alltel Communications	\$294,634.08	\$3,443,635.06	No Bid	\$338,201.41	Included	\$3,781,836.47	
13	Wareforce Computer	\$98,500.00	\$3,768,305.45	\$234,626.03	\$238,035.59	Included	\$4,240,967.07	
14	Verizon	\$76,339.52	\$3,739,098.72	\$407,155.76	\$262,722.56	Included	\$4,408,977.04	
15	CorplInfo Services	\$98,090.00	\$3,489,796.44	\$272,114.64	\$227,098.08	Included	\$3,989,009.16	
16	GE Capital ITS	\$118,060.08	\$3,479,738.43	\$298,837.35	\$234,786.60	Included	\$4,013,362.38	
17	Computer Palace	No Bid	No Bid	\$285,075.72	\$247,205.52	Included	\$532,281.24	
18	Mikon Computer Sys.	No Bid	No Bid	\$213,452.28	No Bid	Included	\$213,452.28	
19	CLT Computer, Inc.	No Bid	\$726,364.49	\$220,529.52	\$36,981.36	Included	\$983,875.37	Partial in all lots

\* Lot A total includes the trade-in value

\*\* Total Bid includes sales tax