



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

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**OPERATIONS COMMITTEE
APRIL 16, 2009**

SUBJECT: BUS BATTERIES

ACTION: AWARD CONTRACT FOR BUS BATTERIES

RECOMMENDATION

Authorize the Chief Executive Officer to award a 36-month, firm fixed price contract under Bid Number 09-0009 to Interstate Battery Systems, the lowest responsive and responsible bidder for bus batteries for an amount not to exceed \$3,398,685, inclusive of sales tax and two one-year options.

RATIONALE

Bus batteries, an integral part of the bus electrical system, are needed to start the buses as well as provide power when the bus is not running for various components including the fire suppression system and farebox. The majority of the buses in the fleet utilize four batteries but some vehicles such as the articulated buses operate on six batteries. The warranty period for these batteries is 15 months unconditional.

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

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

FINANCIAL IMPACT

The funding of \$1,133,000 for bus batteries is included in the FY09 budget under multiple operating cost centers and various operating projects under Line Item 50441, Parts – Revenue Vehicle. Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years. In FY08, a total amount of \$3,642,300 was expended on this category.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and continue to procure bus batteries 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.

ATTACHMENTS

- A. Procurement Summary
 - A-1. Procurement History
 - A-2. List of Subcontractors
- B. Bid Tabulation

Prepared By: T. Allen, Procurement Planning Administrator
J. Roberts, Deputy Executive Officer, Operations

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

BUS BATTERIES

1.	Contract Number: 09-0009		
2.	Recommended Vendor: Interstate Battery System of Eastern Los Angeles, 460 Madera Street, San Gabriel, CA 91776		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$ 3,398,685	Recommended Amount: \$3,398,685	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 9/24/08		
	B. Advertised: 9/25/08		
	C. Pre-bid Conference: N/A		
	D. Proposals/Bids Due: 2/26/09		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation: 0%		
	A. Bid/Proposal Goal: 0% No goal recommended	Date Small Business Evaluation Completed:	
	Small Business Commitment: No goal recommended		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 58	Bids/Proposals Picked up: 58	Bids/Proposals Received: 9
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount:</u>
	Interstate Battery System	\$3,398,685	N/A
	Battery Power, Inc.	\$3,662,940	
	Performance Plus	\$3,785,604	
	Battery Systems	\$4,287,652	
	Kay Automotive	\$4,316,391	
	Factory Motor Parts	\$4,323,576	
	WEI Industries	\$5,272,824	
	TEC of California	\$5,551,494	
	Warren Distributing	\$1,483,015	
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: April 21, 2009		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018	
11.	Project Manager: Cathy Kaminski	Telephone Number: 213/922-5713	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

BUS BATTERIES

A. Background on Contractor

The responsive and responsible low bidder, Interstate Battery System of Eastern Los Angeles is located in San Gabriel, CA and has been in the bus parts business since 1978. Interstate Battery System of Eastern Los Angeles, Inc. has distributed batteries to other agencies, including Los Angeles Water 7 Power, Cal-Trans, ISD, and State of California. In the past, Interstate Battery System of Eastern Los Angeles has provided satisfactory service and delivery of bus batteries to us.

B. Procurement Background

Evaluation of the nine bids received was based technical evaluation of the Quality Assurance Department, which was based on the submittal of offers for our approved manufacturer part numbers. Factory Motor Parts and Warren Distributing are non-responsive to the bid requirements technical specifications.

The Diversity and Economic Opportunity Department did not recommend a Disadvantaged Anticipated Levels of Participation (DALP) participation goal for this procurement.

C. Evaluation Criteria

Technical review and selection of the lowest responsive, responsible bidder.

- | | |
|-----------|---|
| Bidder #1 | Interstate Battery System of Eastern Los Angeles in the amount of \$3,398,685 is in full compliance to the technical specifications and the bid requirements. |
| Bidder #2 | Battery Power, Inc. in the amount of \$3,662,939 is in full compliance to the technical specifications and the bid requirements. |
| Bidder #3 | Performance Plus in the amount of \$3,785,604 is in full compliance to the technical specifications and the bid requirements. |
| Bidder #4 | Battery Systems in the amount of \$4,287,652 is in full compliance to the technical specifications and the bid requirements. |
| Bidder #5 | Kay Automotive in the amount of \$4,316,391 is in full compliance to the technical specifications and the bid requirements. |

- Bidder #6 Factory Motor Parts in the amount of \$4,323,576 is non-responsive to the technical specifications. Bidder is non-responsive because they did not submit documentation for an approved equal.
- Bidder #7 WEI in the amount of 5,272,824 is in full compliance to the technical specifications and the bid requirements.
- Bidder #8 Tec of California in the amount of \$4,411,494 is in full compliance to the technical specifications and the bid requirements.
- Bidder #9 Warren Distributing in the amount of \$1,483,015 is non-responsive to bid requirements because they submitted a partial bid for the initial 12-month period only, and did not include the option periods.

D. **Cost/Price Analysis Explanation of Variances**

The recommended bid price of \$3,398,685 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. Price savings based on historical figures is \$206,397.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

BUS BATTERIES

PRIME CONTRACTOR BUS BATTERIES

Small Business Commitment

N/A

Other Subcontractors

N/A

Total Commitment - DALP 0%

Bids Out: 09/24/08 Total 58
 Bids Opened: 02/26/09 Total 9
 Advertisement Date(s): 09/25/08
 Newspaper: Daily News

					Interstate Battery System		Battery Power, Inc.		Performance Plus		Battery Systems		Kay Automotive	
Item No.	MTA Part No.	Description	Qty	UM	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
12 Month														
1	106520	Battery - 12 Volt Deep Cycle Maintenance	16,188	EA	\$64.65	\$1,046,554.20	\$68.30	\$1,105,640.40	\$72.01	\$1,165,697.88	\$81.56	\$1,320,293.28	\$79.95	\$1,294,230.60
12 Month Sub Total						\$1,046,554.20		\$1,105,640.40		\$1,165,697.88		\$1,320,293.28		\$1,294,230.60
OPTION 1 - 12 Month														
1	106520	Battery - 12 Volt Deep Cycle Maintenance	16,188	EA	\$64.65	\$1,046,554.20	\$69.67	\$1,127,817.96	\$72.01	\$1,165,697.88	\$81.56	\$1,320,293.28	\$82.35	\$1,333,081.80
Option 1 Sub Total						\$1,046,554.20		\$1,127,817.96		\$1,165,697.88		\$1,320,293.28		\$1,333,081.80
OPTION 2 - 12 Month														
1	106520	Battery - 12 Volt Deep Cycle Maintenance	16,188	EA	\$64.65	\$1,046,554.20	\$71.06	\$1,150,319.28	\$72.01	\$1,165,697.88	\$81.56	\$1,320,293.28	\$84.02	\$1,360,115.76
Option 2 Sub Total						\$1,046,554.20		\$1,150,319.28		\$1,165,697.88		\$1,320,293.28		\$1,360,115.76
SUB TOTAL						\$3,139,662.60		\$3,383,777.64		\$3,497,093.64		\$3,960,879.84		\$3,987,428.16
8.25% Sales Tax						\$259,022.16		\$279,161.66		\$288,510.23		\$326,772.59		\$328,962.82
GRAND TOTAL						\$3,398,684.76		\$3,662,939.30		\$3,785,603.87		\$4,287,652.43		\$4,316,390.98

					Factory Motor Parts		WEI Industries		TEC of California		Warren Distributing	
Item No.	MTA Part No.	Description	Qty	UM	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
12 Month												
1	106520	Battery - 12 Volt Deep Cycle Maintenance	16,188	EA	\$78.27	\$1,267,034.76	\$99.95	\$1,617,990.60	\$104.21	\$1,686,951.48	\$84.63	\$1,369,990.44
12 Month Sub Total						\$1,267,034.76		\$1,617,990.60		\$1,686,951.48		\$1,369,990.44
OPTION 1 - 12 Month												
1	106520	Battery - 12 Volt Deep Cycle Maintenance	16,188	EA	\$82.18	\$1,330,329.84	\$99.95	\$1,617,990.60	\$104.21	\$1,686,951.48	no bid	\$0.00
Option 1 Sub Total						\$1,330,329.84		\$1,617,990.60		\$1,686,951.48		\$0.00
OPTION 2 - 12 Month												
1	106520	Battery - 12 Volt Deep Cycle Maintenance	16,188	EA	\$86.28	\$1,396,700.64	\$101.00	\$1,634,988.00	\$106.10	\$1,717,546.80	no bid	\$0.00
Option 2 Sub Total						\$1,396,700.64		\$1,634,988.00		\$1,717,546.80		\$0.00
SUB TOTAL						\$3,994,065.24		\$4,870,969.20		\$5,091,449.76		\$1,369,990.44
8.25% Sales Tax						\$329,510.38		\$401,854.96		\$420,044.61		\$113,024.21
GRAND TOTAL						\$4,323,575.62		\$5,272,824.16		\$5,511,494.37		\$1,483,014.65

Interstate Battery Systems

I hereby certify _____ as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of **\$3,398,684.76**

3/27/09
Date

R A Bachman
Signature