



Metro

Los Angeles County
Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE
SEPTEMBER 17, 2009**

SUBJECT: WHEEL LOADER

ACTION: RECOMMENDATION FOR AWARD

RECOMMENDATION

Authorize the Chief Executive Officer to award a firm fixed price contract under IFB No. OP39602371 with Volvo Construction Equipment and Services, the lowest responsive and responsible bidder for a wheel loader for an amount not-to-exceed \$244,743, inclusive of sales tax.

RATIONALE

This procurement is for the purchase of one off-road wheel loader and is utilized by the Rail Track department for track excavation, ballast loading and distribution and grading. It is equipped with a fork attachment for material moving and stacking and a material handling boom arm for moving and placing large loads in hard to reach locations. This equipment also pivots in the middle to allow for heavy lift and placement of awkward loads. It basically helps with maintenance and repairs on our track and rail crossings by performing various types of earth moving, spreading, heavy lifting and material dumping and is considered basic support as track maintenance equipment in the industry.

MTA has rented a like vehicle and has found that its use is key to completing the current grade crossing project. Every step of the process utilizes this vehicle in one of its many capacities. Having it on the project has increased the production output of the crews which has cut down the time for shutting down grade crossing.

FINANCIAL IMPACT

Funds for this action are included under Cost Center 3434, Non-Revenue Operations, Account Code 53106, Acquisition of Service Vehicle under Capital Project 205006 Metro Blue Line Grade Crossing Improvements.

Impact to Enterprise Fund Bus and Rail Operating Budget

The budgeted amount of \$244,743 will be charged to the Enterprise Fund (EF) bus and rail operating budget under capital project 205006. This project is funded under

Rail Set Aside 35% - Proposition A. This is expansion equipment that will have a minor negative impact to the Non-Revenue operating budget. This will add costs associated with preventive maintenance, unplanned breakdowns and labor. These costs, with the exception of a major failure, are considerably less than 1% of the current operating budget. A savings will be realized by the elimination of rental payments that are currently being burdened by the Wayside Track department.

ALTERNATIVE CONSIDERED

The alternative is to not purchase this vehicle and continue to rent. This option is not desirable due to the high cost associated with this arrangement and that our cost will exceed the purchase cost. This equipment is instrumental in the rail crossing improvement project efforts and it is much more cost effective to purchase over renting.

Due to the type of this equipment there are no alternative fuel options available in the current marketplace. Being off-highway construction equipment there are planned releases by a few manufacturers but these efforts have been cut back or terminated due to the current economic climate. Rental is an option but the high cost of monthly payments makes this a poor choice and it would not be a sound way to expend our funds.

ATTACHMENT(S)

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors
- A-3 Bid Tabulation

Prepared by: Harold Torres, Assistant Equipment Maintenance Manager
Amy Wang, Contract Administrator

Carolyn Flowers

Carolyn Flowers
Chief Operations Officer

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

WHEEL LOADER

1.	Contract Number: OP39602371		
2.	Recommended Vendor: Volvo Construction Equipment & Services		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$224,743	Recommended Price: \$224,743	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: June 1, 2009		
	B. Advertised: June 4, 2009		
	C. Pre-bid Conference: N/A		
	D. Bids Due: June 30, 2009		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: August 28, 2009		
6.	Small Business Participation:		
	A. Bid Goal: MBE: 0% WBE: 0%	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: N/A		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 21	Bids/Proposals Picked up: 19	Bids/Proposals Received: 4
8.	Evaluation Information: See Bid Tabulation		
	A. <u>Bidders/Proposers Names:</u> D3 Equipment Volvo Construction Equipment & Services Coastline Equipment Quinn Company	<u>Bid/Proposal Amt:</u> \$196,892 \$244,743 \$276,043 \$325,261	<u>Best and Final Offer Amt:</u> N/A
	B. Evaluation Methodology: Procurement is in compliance with Procurement policies and procedures.		
9.	Protest Information:		
	A. Protest Period End Date: September 23, 2009		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Amy Wang	Telephone Number: 213-922-2632	
11.	Project Manager: Harold Torres	Telephone Number: 562-658-0231	

BOARD REPORT ATTACHMENT A PROCUREMENT HISTORY

WHEEL LOADER

A. Background on Contractor

Volvo Construction Equipment and Services (VCES) under the AB Volvo brand, has its North American Sales Headquarters in Asheville, NC. As one of the world's largest manufacturers of construction machines, VCES has been in business of selling, leasing, and servicing construction equipment for over fifty years. VCES has had previous contracts with the City of Los Angeles, Caltrans, County of Los Angeles, and County of Riverside, and a number of other municipalities. This contractor's performance on its previous MTA procurement was satisfactory.

B. Procurement Background

IFB No. OP39602371 was conducted as a two-phase "brand name or approved equal" procurement. Phase I provided potential bidders the opportunity to submit their requests for approved equals to the brand named loader. Requests for alternate loader as equals were received and two additional brands were approved after review. D3 Equipment did not submit a request. Loaders meeting the technical requirements; specifically, Volvo, Caterpillar, and John Deere were solicited. In Phase II, sealed bids were due with four bids received.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a MBE/WBE Voluntary Anticipated Level of Participation (VALP) for this procurement due to lack of subcontracting opportunities.

C. Evaluation Criteria

In accordance with Procurement Policies and Procedures, Non-Revenue Operations of Quality Assurance Department performed a technical evaluation of the bids received. The bid from D3 Equipment was found to be non-responsive because the alternative loader offered is not an approved equal and failed to meet the bid specification. The next low bid, submitted by VCES, was fully compliant. Volvo Construction Equipment and Services is the lowest, responsive, responsible bidder.

D. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate price competition in the marketplace and selection of the lowest, responsive, and responsible bidder.

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

WHEEL LOADER

PRIME CONTRACTOR

Volvo Construction Equipment & Services

Small Business Commitment

0%

Other Subcontractors

None

Total Commitment 0%

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: OP39602371 Wheel Loader

Bids Out: 06/01/09 Total 19
 Bids Opened: 06/30/09 Total 4
 Advertisement Date(s): 06/04/09
 Newspaper: Daily News and L.A. Watts Times

Item No.	Description	Qty	UM	D3 Equipment		Volvo Construction Equipment & Services		Coastline Equipment		Quinn Company	
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Wheel Loader	1	EA	\$177,702.00	\$177,702.00	\$223,000.00	\$223,000.00	\$251,520.00	\$251,520.00	\$294,058.00	\$294,058.00
2	Operator's Manuals	3	EA	\$16.00	\$48.00	included	\$0.00	\$0.00	\$0.00	\$31.00	\$93.00
3	Maintenance Manuals	3	EA	\$300.00	\$900.00	included	\$0.00	\$0.00	\$0.00	\$715.00	\$2,145.00
4	Parts Manuals	3	EA	\$250.00	\$750.00	included	\$0.00	\$0.00	\$0.00	\$21.00	\$63.00
5	Electrical Schematics Manuals	3	EA	included	\$0.00	included	\$0.00	\$0.00	\$0.00	included	\$0.00
Sub Total					\$179,400.00		\$223,000.00		\$251,520.00		\$296,359.00
Sales Tax 9.75%					\$17,491.50		\$21,742.50		\$24,523.20		\$28,895.00
California Tire Fee					\$0.00		\$0.00		\$0.00		\$7.00
Total					\$196,891.50		\$244,742.50		\$276,043.20		\$325,261.00

I hereby certify Volvo Construction Equipment & Services as being the lowest responsive, responsible bidder and recommend the award to them for total price, including sales tax, of \$244,742.50.

8/20/09 Date
 Amy d. Wang Signature

