Los Angeles County
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

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Metro

SYSTEM SAFETY AND OPERATIONS COMMITTEE
JULY 18, 2013

SUBJECT: BUS DIFFERENTIALS

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

Award a 24-month, firm fixed price contract under Bid Number 13-0039 to the following lowest responsive and responsible bidders for bus differentials for an amount not-to-exceed $4,346,606 inclusive of sales tax and a one-year option.

A. Axletech for line items 1 (Oil Seal), 2 (Seal Assembly), and 6 (Hub Assembly w/Studs) for a total contract value of $794,561.

B. NABI for line items 3 (Hub Assembly Rear), 5 (Hub Assembly LH and RH), 7 (Axle Sleeve), 8 (Differential Assembly), 9 (Differential Assembly Carrier), 10 (Differential Assembly), 11 (Differential Assembly) for a total contract value of $3,342,993.

C. New Flyer for line item 4 (Hub Assembly) for a total contract value of $209,052.

ISSUE

This procurement is for the acquisition of bus differentials which are required for maintaining the safe and reliable operation of the bus fleet.

DISCUSSION

The differential on a vehicle is part of the drive train system and is designed to drive a pair of wheels with equal force while allowing them to rotate at different speeds, particularly going around corners. When cornering, the inner wheel needs to travel a shorter distance than the outer wheel. With no differential, the result is the inner wheel spins and/or the outer wheel drags, difficult and unpredictable handling, damage to tires and roads, and strain on (or possible failure of) the entire drive train. The standard warranty period for these differentials is 12 months.

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 bus differentials 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 contract will ensure that all operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards.

FINANCIAL IMPACT

Total funding required for this contract award is of $4,346,606. Funding of $1,992,194 for these products is included in the proposed FY14 budget under project cost center 3366, Central Maintenance, line item 50441, Parts – Revenue Vehicle, projects 203020 FY12-FY14 Bus Midlife Project and 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 Transportation Development Act (TDA) and Prop 1B funds.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and continue to procure bus differentials on an as-needed basis at a higher cost. This approach is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

NEXT STEPS

Metro's requirements for bus differentials will be fulfilled under the provisions of the contract.

ATTACHMENTS

A. Procurement Summary
B. Bid Tabulation

Prepared By:	Michael Stange, Executive Director, Maintenance
Questions:	Michelle Stewart, Assistant Administrative Analyst (213) 922-7270

Michelle Lopes Caldwell
Chief Administrative Services Officer

Frank Alejandro
Chief Operations Officer

Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY
BUS DIFFERENTIALS

1.	Contract Number: 13-0039	
2.	Recommended Vendor: • Axletech LLC, 1400 Rochester Rd, Troy, MI 48083 • NABI, 2338 U.S. Highway 42 south, Delaware, OH 43015 • New Flyer Industries Canada, ULC, 25 DeBaets Street, Winnipeg, MB R2J4G5	
3.	Type of Procurement (check one) : ☒ IFB ☐ RFP ☐ RFP – A&E ☐ Non-Competitive ☐ Modification ☐ Task Order	
4.	Procurement Dates:	
	A. Issued: 4/9/13	
	B. Advertised/Publicized: 4/11/13	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 5/29/13	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 7/18/13	
5.	Solicitations Picked up/Downloaded: 23	Bids/Proposals Received: 8
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 bus differentials 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 13-0039 was issued April 9, 2013 and advertised April 11, 2013. Contract type is Firm-Fixed Price (FFP) and one amendment was issued on April 25, 2013 to answer potential bidder's questions.

B. Evaluation of Proposals/Bids

Eight bids were received May 29, 2013. The firms recommended for award, NABI and New Flyer were found to be in full compliance with the bid requirements. Axletech was found non-responsive to line 4 because they signed the Buy America

Certificate incorrectly. Award is recommended to the second low bidder, New Flyer Industries Canada, ULC.

Line items 4 and 6 will be purchased with Prop 1B funds under project 203020 FY12-FY14 Bus Midlife Project and line item 50441, Parts – Revenue Vehicle.

Prevost Car (US) Inc., is non-responsive because they only bid on the option year of the two-year contract term as required by the bid requirements.

See attached bid tabulation for line item pricing.

C. Cost/Price Analysis

The recommended total bid price of $4,346,606 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 $49,546.

D. Background on Recommended Contractor

The responsive and responsible low bidder, Axletech LLC for line items 1, 2, and 6 is located in Troy, MI and has been a distributor of bus parts and other related products for 30 years. Axletech has provided similar products to other transit agencies including NYCTA, Greyhound, SEPTA, Houston MTA, OCTA and other agencies. To date, Axletech has provided satisfactory service and products to Metro on previous purchases.

The responsive and responsible low bidder, NABI for line items 3, 5, 7, 8, 9, 10, and 11 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.

The responsive and responsible low bidder, New Flyer Industries Canada, ULC for line item 4 is located in Winnipeg, MB and has been in bus manufacturing and aftermarket bus parts and other related products for 30 years. New Flyer Industries Canada, ULC has provided similar products to other transit agencies including NYCTA, Chicago Transit Authority, Capital Metro, and other agencies. To date, New Flyer Industries Canada, ULC 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.

ATTACHMENT B

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
Bid No: 13-0039 Bus Differentials

Bids Out: 04/09/13 Total 23
Bids Opened: 05/29/13 Total 8
Advertisement Date(s): 04/11/13
Newspaper: LA Daily News

Item No.	MTA Part No.	Description	QTY	UM	NABI		Gillig LLC		Muncie Reclamation and Supply dba Muncie Transit Supply		Axletech LLC	
					Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
		12 MONTH PRICING										
1	102098	Seal-Oil, Bering, Outer Wheel, Rear	1,464	EA	10.02	$14,669.28	10.25	$15,006.00	11.39	$16,674.96	8.75	$12,810.00
2	147929	Seal Asm – Oil, Inner Rear Wheel Hub	648	EA	35.93	$23,282.64	37.08	$24,034.32	39.89	$25,848.72	29.88	$19,362.24
3	141930	Hub Asm – Wheel, Rear, Less Roator, w/Studs	168	EA	325.62	$54,704.16	336.11	$56,466.48	363.63	$61,089.84	no bid	$0.00
4	140313	Hub Asm – Rear Wheel, W/Studs, Meritor Low Floor Axle	60	EA	no bid	$0.00	no bid	$0.00	no bid	$0.00	1,532.18	$91,930.80
5	141915	Hub Asm – Wheel, W/studs LH & RH Rear	108	EA	759.76	$82,054.08	875.00	$94,500.00	846.99	$91,474.92	no bid	$0.00
6	140326	Differential Asm – Carrier 5.25 Ratio	60	EA	no bid	$0.00	no bid	$0.00	no bid	$0.00	5,439.34	$326,360.40
7	113349	Sleeve- Axle, Indiv dually Packaged "Only"	516	EA	204.52	$105,532.32	214.75	$110,811.00	226.50	$116,874.00	no bid	$0.00
8	140317	Differential Asm – 5.38 Ratio	96	EA	1,651.78	$158,570.88	1,650.00	$158,400.00	1,829.95	$175,675.20	2,100.00	$201,600.00
9	179271	Differential Asm – Carrier 5.38 Ratio, 7100 Series Axle	120	EA	3,116.25	$373,950.00	3,112.90	$373,548.00	3,435.40	$412,248.00	3,250.00	$390,000.00
10	141900	Differential Asm – 4.89 Ratio	204	EA	1,585.36	$323,413.44	1,600.87	$326,577.48	1,759.95	$359,029.80	2,100.00	$428,400.00
11	141931	Differential Asm – 4.89 Raito 71000 Series Axle	132	EA	3,146.39	$415,323.48	3,143.01	$414,877.32	3,487.69	$460,375.08	3,250.00	$429,000.00
		Subtotal 12 Month				**$1,651,500.28**		**$1,674,220.60**		**$1,719,290.52**		**$1,899,463.44**
		Option 1										
1	146324	Seal-Oil, Bering, Outer Wheel, Rear	1,464	EA	10.59	$15,503.76	10.79	$15,796.56	11.96	$17,513.83	9.25	$13,542.00
2	146326	Seal Asm – Oil, Inner Rear Wheel Hub	648	EA	37.13	$24,060.24	39.04	$25,297.92	41.88	$27,138.24	31.99	$20,729.52
3	146328	Hub Asm – Wheel, Rear, Less Roator, w/Studs	168	EA	325.62	$54,704.16	353.80	$59,438.40	381.81	$64,144.08	no bid	$0.00
4	146929	Hub Asm – Rear Wheel, W/Studs, Meritor Low Floor Axle	60	EA	no bid	$0.00	no bid	$0.00	no bid	$0.00	1,578.15	$94,689.00
5	146930	Hub Asm – Wheel, W/studs LH & RH Rear	108	EA	785.12	$84,792.96	921.05	$99,473.40	889.34	$96,048.72	no bid	$0.00
6	147944	Differential Asm – Carrier 5.25 Ratio	60	EA	no bid	$0.00	no bid	$0.00	no bid	$0.00	5,602.52	$336,151.20
7	148121	Sleeve- Axle, Individually Packaged "Only"	516	EA	204.52	$105,532.32	226.05	$116,641.80	237.83	$122,720.28	no bid	$0.00
8	148122	Differential Asm – 5.38 Ratio	96	EA	1,651.78	$158,570.88	1,736.84	$166,736.64	1,921.45	$184,459.20	2,100.00	$201,600.00
9	149374	Differential Asm – Carrier 5.38 Ratio, 7100 Series Axle	120	EA	3,220.24	$386,428.80	3,276.74	$393,208.80	3,607.17	$432,860.40	3,250.00	$390,000.00
10	149375	Differential Asm – 4.89 Ratio	204	EA	1,639.26	$334,205.04	1,685.13	$343,766.52	1,847.95	$376,981.80	2,100.00	$428,400.00
11	149497	Differential Asm – 4.89 Raito 71000 Series Axle	132	EA	3,251.39	$429,183.48	3,308.43	$436,772.76	3,662.07	$483,393.24	3,250.00	$429,000.00
		Option Subtotal				**$1,592,981.64**		**$1,657,072.80**		**$1,805,269.79**		**$1,914,111.72**
		SUBTOTAL 12 MONTH AND OPTION YEAR				**$3,144,481.92**		**$3,231,293.40**		**$3,524,550.31**		**$3,813,575.16**
		SALES TAX 9%				**$283,003.37**		**$290,816.41**		**$317,209.53**		**$343,221.76**
		GRAND TOTAL				**$3,427,485.29**		**$3,522,109.81**		**$3,841,759.84**		**$4,156,796.92**

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION
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Bids Opened: 05/29/13 Total: 8
Advertisement Date(s): 04/11/13
Newspaper: LA Daily News

Item No.	MTA Part No.	Description	QTY	UM	Mohawk MFG & Supply Co.		New Flyer Industries Canada ULC		American Moving Parts		Prevost Car (US) Inc.	
					Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
		12 MONTH PRICING										
1	102096	Seal-Oil, Bering, Outer Wheel, Rear	1,464	EA	10.65	$15,591.60	11.88	$17,099.52	10.40	$15,225.60	no bid	$0.00
2	141929	Seal Asm – Oil, Inner Rear Wheel Hub	648	EA	42.20	$27,345.60	49.00	$31,752.00	48.61	$31,499.28	no bid	$0.00
3	141930	Hub Asm – Wheel, Rear Less Rotor, w/Studs	168	EA	390.00	$65,520.00	383.30	$64,394.40	414.50	$69,636.00	no bid	$0.00
4	140313	Hub Asm – Rear Wheel, W/Studs Meritor Low Floor Axle	60	EA	no bid	$0.00	1,574.64	$94,478.40	1,798.00	$107,880.00	no bid	$0.00
5	141915	Hub Asm – Wheel, W/studs LH & RH Rear	108	EA	895.00	$96,660.00	889.67	$96,084.36	992.00	$107,136.00	no bid	$0.00
6	140326	Differential Asm – Carrier 5.25 Ratio	60	EA	no bid	$0.00	5,590.04	$335,402.40	6,198.00	$371,880.00	no bid	$0.00
7	113349	Sleeve- Axle, Individually Packaged "Only"	516	EA	246.40	$127,142.40	240.74	$124,221.84	298.00	$153,768.00	no bid	$0.00
8	140317	Differential Asm – 5.38 Ratio	96	EA	2,043.96	$196,220.16	1,983.81	$190,445.76	2,440.00	$234,240.00	no bid	$0.00
9	179271	Differential Asm – Carrier 5.38 Ratio, 7100 Series Axle	120	EA	3,856.14	$462,736.80	3,862.14	$463,456.80	3,875.00	$465,000.00	no bid	$0.00
10	141900	Differential Asm – 4.89 Ratio	204	EA	1,961.77	$400,201.08	1,984.81	$400,821.24	2,440.00	$497,760.00	no bid	$0.00
11	141931	Differential Asm – 4.86 Ratio 71000 Series Axle	132	EA	3,893.44	$513,934.08	3,899.48	$514,731.36	3,875.00	$511,500.00	no bid	$0.00
		Subtotal 12 Month				**$1,905,351.72**		**$2,332,888.08**		**$2,565,524.88**		**$0.00**
		Option 1										
1	146324	Seal-Oil, Bering, Outer Wheel, Rear	1,464	EA	11.18	$16,367.52	12.06	$17,655.84	10.93	$16,001.52	31.69	$46,394.16
2	146326	Seal Asm – Oil Inner Rear Wheel Hub	648	EA	44.31	$28,712.88	50.95	$33,015.60	51.04	$33,073.92	39.30	$25,466.40
3	146328	Hub Asm – Wheel, Rear, Less Rotor, w/Studs	168	EA	409.50	$68,796.00	398.63	$66,969.84	435.25	$73,122.00	355.80	$59,774.40
4	146929	Hub Asm – Rear Wheel, W/Studs, Meritor Low Floor Axle	60	EA	no bid	$0.00	1,621.87	$97,312.20	1,889.00	$113,340.00	no bid	$0.00
5	146930	Hub Asm – Wheel, W/studs LH & RH Rear	108	EA	939.75	$101,493.00	925.25	$99,927.00	1,042.00	$112,536.00	831.00	$89,748.00
6	147944	Differential Asm – Carrier 5.25 Ratio	60	EA	no bid	$0.00	5,757.74	$345,464.40	6,698.00	$401,880.00	no bid	$0.00
7	148121	Sleeve- Axle, Individually Packaged "Only"	516	EA	259.72	$133,499.52	250.38	$129,196.08	313.00	$161,508.00	224.00	$115,584.00
8	148122	Differential Asm – 5.38 Ratio	96	EA	2,056.22	$197,397.12	2,063.16	$198,063.36	2,565.00	$246,240.00	1,805.00	$173,280.00
9	149374	Differential Asm – Carrier 5.38 Ratio, 7100 Series Axle	120	EA	3,895.50	$467,460.00	4,018.61	$481,993.20	4,069.00	$488,280.00	3,406.00	$408,720.00
10	149375	Differential Asm – 4.89 Ratio	204	EA	1,974.53	$402,804.12	2,043.41	$416,855.64	2,565.00	$523,260.00	1,725.00	$351,900.00
11	149407	Differential Asm – 4.89 Ratio 71000 Series Axle	132	EA	3,921.96	$517,698.72	4,055.46	$535,320.72	4,069.00	$537,108.00	3,440.00	$454,080.00
		Option Subtotal				**$1,934,228.88**		**$2,421,773.88**		**$2,706,349.44**		**$1,724,946.96**
		SUBTOTAL 12 MONTH AND OPTION YEAR				**$3,839,580.60**		**$4,754,661.96**		**$5,271,874.32**		**$1,724,946.96**
		SALES TAX 9%				**$345,562.25**		**$427,919.58**		**$474,468.69**		**$155,245.23**
		GRAND TOTAL				**$4,185,142.85**		**$5,182,581.54**		**$5,746,343.01**		**$1,880,192.19**

I hereby certify Axeltech, NABI and New Flyer as being the lowest responsive responsible bidders and recommend the award to them for total price including sales tax, of $4,346,606.

6/11/13
Date

Signature