

PROCUREMENT SUMMARY

ENGINE OIL
CONTRACT NO. VM67502000

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|----|---|----------|---|
| 1. | Contract Number: VM67502000 | | |
| 2. | Contractor: Rosemead Oil Products, Inc. | | |
| 3. | Mod. Work Description: Four Months Schedule Extension & Additional Funds | | |
| 4. | Contract Work Description: Engine Oil for Metro Bus Fleet | | |
| 5. | The following data is current as of: 4/30/19 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 02/03/17 | Contract Award Amount: \$1,626,900 |
| | Notice to Proceed (NTP): | 01/30/17 | Total of Modifications Approved: 6 |
| | Original Complete Date: | 02/02/19 | Pending Modifications (including this action): 1 |
| | Current Est. Complete Date: | 11/30/19 | Current Contract Value (with this action): \$2,041,600 |
| 7. | Contract Administrator: Lorretta Norris | | Telephone Number: (213) 922-2632 |
| 8. | Project Manager: James Pachan | | Telephone Number: (213) 922-5804 |

A. Procurement Background

This Board Action is to approve Contract Modification No. 7, issued in support of maintaining the safe and reliable operation of Metro's bus fleet, ensuring that operating divisions have adequate engine oil inventory to maintain the buses in accordance with Metro's maintenance standards that is in full compliance with Cummins Engine Standard (CES) 20085.

Contract Number VM67502000, Item Number 32, was approved by Metro's Board of Directors on January 26, 2017.

Rosemead Oil Products, Inc. (Rosemead) was the lowest responsive and responsible bidder for a not-to-exceed amount of \$805,281 inclusive of sales tax for the base year, and not-to-exceed amount of \$821,569 inclusive of sales tax for a one year option, for a Total Contract Value of \$1,626,850. An indefinite delivery, indefinite quantity (IDIQ) contract was awarded February 3, 2017.

A new replacement contract for VM67502000 was to commence on May 1, 2019. However, the procurement to award a replacement contractor was cancelled because the apparent low and bidder of that solicitation was deemed non-

responsive for not meeting Metro’s Commercial Useful Function (CUF) requirement. As a result, Metro is required to re-compete this acquisition requirement and extend the existing Contract with Rosemead.

To ensure daily bus fleet operations were not interrupted, Metro staff approved Modification No. 6 to extend the contract and utilize its full Contract Modification Authority (CMA) to increase the original Total Contract Value by \$162,700, from \$1,626,900 to \$1,789,600 (Refer to Attachment B – Contract Modification Log).

Contract Modification No. 7 extends bus fleet operations during the re-procurement phase and will be processed in accordance with Metro’s Acquisition Policy. The contract type remains an IDIQ.

Based on Metro’s forecasted usage reports the monthly engine oil burn rate is approximately \$59,100.

B. Actual Cost Data

The recommended price extension has been determined to be fair and reasonable based upon the Contractor’s agreement to maintain the existing firm fixed unit rate prices defined in the existing Contract. The existing Contract prices were deemed fair and reasonable based on adequate price competition. The table below reflects actual cost data of engine oil usage during the contract’s terms and the expected cost during the time extension.

| Actual Monthly Engine Burn Rate* | Number of Months Additional Service Required | Estimated Mod #7 Amount | Metro ICE |
|---|---|--------------------------------|------------------|
| \$59,100 | 4.25 | \$252,000 | \$251,175 |

*Refer to the 5th paragraph above under Procurement Background.