PROCUREMENT SUMMARY

HIGH-DENSITY STORAGE SYSTEM/OP119312(3)000

1.	**Contract Number**: OP119312(3)000	
2.	**Recommended Vendor**: Southwest Material Handling, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☒ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 10/24/24	
	B. Advertised/Publicized: 10/24/24	
	C. Pre-Bid Conference: N/A	
	D. Bids Due: 11/15/24	
	E. Pre-Qualification Completed: 4/1/25	
	F. Ethics Declaration Forms Submitted to Ethics: 3/26/25	
	G. Protest Period End Date: 5/20/25	
5.	**Solicitations Downloaded**: 9	**Bids Received**: 2
6.	**Contract Administrator**: Anush Beglaryan	**Telephone Number**: (213) 418-3047
7.	**Project Manager**: Mac Montgomery	**Telephone Number**: (213) 922-5831

A. Procurement Background

This Board Action is to approve Contract No. OP119312(3)000 issued in support of the removal and replacement of the existing standard High Density Storage System at Metro's Logistics Warehouse (A11). The existing system has been in place since 1995 and has now surpassed its useful life and requires replacement. Board approval of contract awards are subject to resolution of any properly submitted protest(s), if any.

On January 5, 2024, Invitation for Bids (IFB) No. OP119312 was issued as a competitive sealed bid procurement in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The IFB was issued under the Small Business Prime (Set-Aside) Program which requires that bidders must be Small Business Enterprises (SBE) to be eligible to participate in this solicitation. On March 13, 2024, Metro rejected the single bid received due to being non-responsive to the DEOD requirements.

On May 29, 2024, the solicitation was re-issued as IFB No. OP119312(2) and was issued as a competitive sealed bid procurement in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The Diversity & Economic Opportunity Department did not recommend a Small Business Enterprise/Disabled Veteran Business Enterprise (SBE/DVBE) goal. On June 27, 2024, Metro rejected the single bid received due to non-responsiveness to the technical requirements and unreasonable cost.

On October 24, 2024, the solicitation was re-issued as IFB No. OP119312(3) and was issued as a competitive sealed bid procurement in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The Diversity & Economic Opportunity Department did not recommend a Small Business Enterprise/Disabled Veteran Business Enterprise (SBE/DVBE) goal. On November 15, 2024, Metro received a total of two bids and rejected them due to non-responsiveness to the requirements of the IFB, technical requirements and unreasonable cost.

B. Evaluation of Bids

Upon rejecting all bids under IFB No. OP119312(3), staff determined that the equipment and services being solicited could be procured at a lower price in the open market without further observance of competitive procedures.

In accordance with Metro's Acquisition Policy and Public Utility Code (PUC) §130233, staff entered into negotiations for a non-competitive contract with Southwest Material Handling, Inc.

The proposal provided by Southwest Material Handling, Inc. was found to be acceptable and responsive to the technical requirements.

C. Price Analysis

The recommended bid price from Southwest Material Handling, Inc., has been determined to be fair and reasonable based on price analysis, technical analysis, fact-finding, and negotiations with the bidder.The negotiated amount is 4.7% greater than Metro's ICE due to increased cost of steel and the inclusion of prevailing wage requirements.

Proposer Name	Metro ICE	Negotiated Amount
Southwest Material Handling, Inc.	$849,000.00	$889,636.50

D. Background on Recommended Contractor

The recommended firm, Southwest Material Handling, Inc., headquartered in Mira Loma, California, has been in business for 36 years and is a leading forklift dealer providing total solutions for warehouse and material handling equipment, including high-density racking systems. Southwest Material Handling, Inc., is also the incumbent of the existing High Density Storage System. They have extensive knowledge and experience working with Metro, having previously installed the existing system, and are therefore familiar with the requirements.