



**Board Report**

**File #:** 2024-0549, **File Type:** Contract

**Agenda Number:** 31.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
OCTOBER 24, 2024**

**SUBJECT: BUS BATTERIES**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Contract No. MA90333-2000 with Battery Power, Inc., for Bus Batteries 12V, Group 31. This modification will exercise the one-year option in the not-to-exceed amount of \$1,474,110.90, increasing the total contract value from \$1,474,110.90 to \$2,948,221.80 and extending the contract term from November 9, 2024 to November 8, 2025.

**ISSUE**

The Bus Maintenance Department uses bus batteries to support a fleet of over 2,000 Metro buses. Bus batteries are required for the engine and all major systems and subsystems on the bus fleet to operate and perform effectively.

Execution of this contract modification will ensure the operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards. This is necessary to ensure service continuity and avoid any interruption to Metro operations.

**BACKGROUND**

Metro awarded the original contract in September of 2023 as a two-year contract, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. MA90333-2000 with Battery Power, Inc. The contract base amount is \$1,474,110.90 inclusive of sales tax, and a one-year option amount is \$1,474,110.90, inclusive of sales tax, for a total contract amount of \$2,948,221.80. The first year was successful, and Metro’s Central Maintenance Shop’s Midlife Program is requesting approval for the 2nd year option. Staff issued a no cost period of performance extension from September 28, 2024 through November 8, 2024. The 2<sup>nd</sup> year option would continue the Midlife Program bus batteries replacement from November 9, 2024 through November 8, 2025.

Bus batteries provide the stored electrical energy necessary to start engines on buses and energize control modules and other electrical systems. It also energizes the alternator, which generates additional power for the various electrical systems installed on the bus fleet. After repeated heavy use each day for the extended service intervals on Metro buses, the batteries deteriorate and become

unable to store the required amount of energy to provide the current required to start the engines on buses and supply power for the electrical subsystems. Bus batteries that fail will take buses out of service due to engine no start or stalling issues, impacting the service provided to customers while buses are pending installation of new replacement batteries. Similar to automotive batteries, purchasing new bus batteries includes a core charge for recycling failed batteries. The failed batteries are returned to the vendor for recycling. Bus batteries functioning at total capacity are crucial for the safe and reliable operation of the bus fleet.

## **DISCUSSION**

The bus operating divisions and Central Maintenance Shops use the bus batteries when performing repairs and preventative maintenance on the bus fleet. It is imperative to always have an inventory of bus batteries on hand to service the Metro bus fleet.

The contract modification to be awarded is a “requirements type” agreement in which we commit to ordering only from the awardee up to the specified quantity for a specific duration of time. However, Metro is not obligated to order any or all of the bus batteries that may be required. The bid quantities are estimates only, with deliveries to be ordered and released as necessary. Metro Mechanics install the purchased bus batteries.

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

## **DETERMINATION OF SAFETY IMPACT**

The contract modification for bus batteries will ensure that all operating divisions and the Central Maintenance Shops have an adequate inventory to maintain the equipment according to Metro Maintenance standards. This action will prevent service impacts, deferred maintenance, and ensure bus availability for revenue service.

## **FINANCIAL IMPACT**

Funding in the amount of \$1,474,110.90 for these bus batteries is included in the FY25 budget under account 50441, Parts - Revenue Vehicle in multiple bus operating cost centers under project 306002 Operations Maintenance, and in the Central Maintenance Shops cost center 3366 under project 203050 NEW FLYER/ELDORADO BUS MIDLIFE Program.

## **Impact to Budget**

The current funding sources for this action include Propositions A and C, Measure M, Federal Section 5307, and the Transportation Development Act. These sources are eligible for Bus Operating or Capital projects.

## **EQUITY PLATFORM**

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This action will ensure that Metro’s bus fleet, which serves most regions in Los Angeles County, is able to provide vital transportation services to neighborhoods, including many Equity Focus Communities (EFCs) where disparities within the region can exist between residents’ access to jobs, housing, education, health, and safety. Bus transportation provides an important lifeline for the residents in EFCs. The Metro bus maintenance programs ensure the proper State of Good Repair of the bus fleet to provide transportation for these underserved communities.

Due to the lack of subcontracting opportunities, the Diversity and Economic Opportunity Department (DEOD) did not recommend a DBE goal for this procurement.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The bus batteries support Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. Procuring bus batteries for inventory will help ensure the reliability of the bus fleet and enable our customers to arrive at their destinations on schedule and without interruption.

**ALTERNATIVES CONSIDERED**

The alternative is to not approve the contract modification and procure the bus batteries as needed, using the traditional “min/max” replenishment method. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure availability, timely delivery, continued supply, and a guaranteed fixed price for the parts.

**NEXT STEPS**

Upon approval by the Board, staff will execute a contract modification to Contract No. MA90333-2000 for the procurement of bus batteries with Battery Power, Inc.

**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

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