

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	08/09/10	Open	Action	07/15/10

Subject: Rejecting the Non-Responsive Low Bid and Awarding a Contract to the Responsive Second Low Bidder, HD Industries, for ZF Automatic Transmission Overhaul Services

ISSUE

Whether or not to reject the non-responsive low bid and award a contract to the responsive second low bidder, HD Industries, for ZF Automatic Transmission Overhaul Services.

RECOMMENDED ACTION

Resolution No. 10-08-____, Rejecting the Non-Responsive Low Bid and Awarding a Contract to the Responsive Second Low Bidder, HD Industries, for ZF Automatic Transmission Overhaul Services.

FISCAL IMPACT

Budgeted:	Yes	FY 11:	\$ 162,395.00
Budget Source:	Operating	FY 12:	\$ 177,997.00
Funding Source:	Local	FY 13:	\$ 195,188.20
Cost Cntr/GL Acct(s)	CC: 34 GL: 630020	Total Amount:	\$ 535,580.20
Total Budget:	\$ 535,580.20*		

*Total amount is \$535,580.20 for a 3-year term with the option to renew for two additional 1-year terms.

DISCUSSION

On April 12, 2010, the RT Board authorized staff to release an Invitation to Bid (ITB) for ZF Automatic Transmission Overhaul Services. To date, RT has been procuring these services on an as-needed basis with the use of purchase order agreements. Staff released the ITB on April 29, 2010, and the solicitation was advertised in publications of general circulation and posted on RT's website under Contracting Opportunities. Pursuant to RT's Disadvantaged Business Enterprise (DBE) Program, no DBE participation goal was established for this project. Further, since this contract offered no subcontracting opportunities, no Small Business Enterprise (SBE) goal was established for this project. Two Addendums and one Letter of Clarification were issued. On June 23, 2009, two bids were received from: HD Industries and TMI Services.

During review of the bids, staff discovered that the bid from the apparent low bidder, TMI Services, contained irregularities. TMI Services did not meet the qualification requirements and submitted a partial bid by not providing pricing for all required bid items. Staff also discovered that the bid from the second bidder, HD Industries, contained irregularities. HD Industries submitted a partial bid by not providing pricing for all bid items and its bid contained mathematical errors.

Approved:

Presented:

Final 8/3/10

General Manager/CEO

Vern Barnhart

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In accordance with RT’s Standard Operating Procedure GM-SOP-97-009, Section XI, Rejection of Bids or Proposals/Waiver of Irregularities, and RT’s Procurement Ordinance Section 1.509, Rejection of Bids/Proposals; Waiver of Minor Irregularities, staff consulted with RT’s Chief Legal Counsel on the irregularities in TMI Services and HD Industries bids. Counsel concurred with staff’s determination that: 1) TMI Services’ submittal of a partial bid is a minor irregularity and can be waived since the ITB did not indicate that partial bids will be rejected. However, TMI Services’ failure to meet the qualification requirements is a material irregularity and therefore its bid is non-responsive and rejected; and 2) HD Industries’ submittal of a partial bid is a minor irregularity and can be waived since the ITB did not indicate that partial bids will be rejected and the bid items left blank are items to be requested by RT on an as-needed basis only so the work is not guaranteed. The correct bid amount was determined pursuant to section 1.10, Mathematical Errors, of the bid documents.

The price for this contract has been deemed as fair and reasonable.

Staff recommends the Board reject the non-responsive low bid from TMI Services and award a contract to the responsive second low bidder, HD Industries, for ZF Automatic Transmission Overhaul Services for an amount not-to-exceed \$535,580.20 for a 3-year term with the option to renew for two additional 1-year terms.

RESOLUTION NO. 10-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 9, 2010

REJECTING THE NON-RESPONSIVE LOW BID AND AWARDING A CONTRACT TO THE RESPONSIVE SECOND LOW BIDDER, HD INDUSTRIES, FOR ZF AUTOMATIC TRANSMISSION OVERHAUL SERVICES

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, TMI Services', the apparent low bidder, submittal of a partial bid is a minor irregularity and can be waived since the ITB did not indicate that partial bids will be rejected. However, TMI Services' failure to meet the qualification requirements is material and therefore its bid is non-responsive and rejected.

THAT, HD Industries' submittal of a partial bid is a minor irregularity and can be waived since the ITB did not indicate that partial bids will be rejected. HD Industries is determined to be the responsive and responsible low bidder.

THAT, the Contract between Sacramento Regional Transit District, therein referred to as "RT," and HD Industries, therein referred to as "Contractor," whereby Contractor agrees to provide ZF Automatic Transmission Overhaul Services, as specified, for an amount not-to-exceed \$535,580.20, for a 3-year term with the option to renew for two additional 1-year terms, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Contract.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary