

AGENDA ITEM NO.	1 B
COUNCIL MEETING	2-17-11
APPROVED BY	
	
DEPARTMENT DIRECTOR	
CITY MANAGER 	

February 17, 2011

FROM: KENNETH P. HAMM, Director
Department of Transportation

SUBJECT: REJECT ALL BIDS FOR AUTOMATIC PASSENGER COUNTERS (APC)
(BID FILE NO. 2952) - Department of Transportation/FAX

RECOMMENDATIONS

Staff recommends the Council reject all bids to install automatic passenger counters on FAX buses. This recommendation is based on the desire to modify the technical specifications to improve proposer responsiveness, increase competition by increasing the number of bids submitted by re-advertising, and to resolve inconsistencies with the bid process. Bid pricing was valid for sixty days from bid opening and expired on December 17, 2010. The City needs to refund all bid deposits.

EXECUTIVE SUMMARY

The City of Fresno, Department of Transportation/Fresno Area Express (FAX) solicited bids from qualified vendors to provide an Automatic Passenger Counter (APC) System. The system will allow FAX to identify ridership trends by stop for the entire transit system. Procurement, installation, implementation services, training and ongoing support were requested.

Due to the technical nature of implementing an automatic passenger counting system, a two-phase purchasing process was determined to be the most effective way to procure the system for FAX. The first phase was the pre-qualification of APC system vendors with an in-house pilot testing phase that did not include pricing. The second phase was the formal bidding by pre-qualified vendors that participated in the pilot testing to include pricing.

On May 27, 2010, one sealed bid was received and opened by the Purchasing Division. Based on the sealed bid, Urban Transportation Associates (UTA) was initially determined to be the lowest responsive and responsible bidder. On June 10, 2010, the Council voted to reject all bids based on only one bid being received and a truly competitive process was not achieved. In the re-bid, which was only opened to the two original pilot bidders, further challenges during the evaluation process from the two submitted bids led the staff to make a recommendation to reject all bids. Additionally, per the original specifications, bid pricing was valid for sixty days from bid opening and expired on December 17, 2010. The intent of re-bidding, with modified technical specifications, is to improve the responsiveness and competitiveness through re-advertisement of the procurement.

Staff is recommending the action of rejecting all bids in an effort to re-post the project and improve the responsiveness of future potential bidders. Re-bidding the project in compliance with the Federal Transportation Administration (FTA) will ensure a competitive process that delivers a quality product to the City of Fresno. This project is an ARRA funded project. The Federal Transit Administration has made it clear that stimulus fund capital projects need to be delivered quickly and systems who fail to move their projects forward may have their funds assigned to another transit system.

BACKGROUND

The Automatic Passenger Counter procurement is an American Reinvestment and Recovery Act (ARRA) project. On May 6, 2009 the City Council approved the appropriations for the ARRA funding which included the APC project.

Fresno Area Express currently operates with passenger counters on approximately 15% of its fleet. The current vendor of these counters, Red Pine, has ceased to manufacture the units and is no longer supporting the technology. FAX, under ARRA funding, began the procurement process to replace the current units, as well as install counters on the entire fleet. Due to the technical nature of implementing an automatic passenger counting system, a two-phase purchasing process was determined to be the most effective way to procure the system for FAX.

A Notice Inviting Bids was published in the Business Journal on September 25, 2009, and was also posted on the City of Fresno's website. The specifications were distributed to 19 prospective proposers. The first phase was the pre-qualification of APC system vendors with an in-house pilot testing phase that did not include pricing. The second phase was the formal bidding by pre-qualified vendors with pricing. Four vendors expressed interest initially, with two vendors submitting Phase 1 proposals on October 22, 2009. Both vendors were invited to participate in a pilot test of the proposed systems. The pilot began in February 2010, and lasted 45 days where each system was tested on multiple routes against actual physical counts performed by FAX staff. Each vendor successfully qualified their product and was invited to submit Phase 2 pricing bids.

On May 27, 2010, Purchasing received a single bid from Urban Transportation Associates (UTA). On June 10, 2010, the City Council voted to reject all bids based staff recommendation and only one bid being received. In staff's evaluation, it was determined that a truly competitive process had not been achieved. The project was rebid for the pricing phase only from the original two qualified bidders, and on August 12, 2010, two bids were received. DILAX, of Canada, was the apparent low bidder, but staff made a finding that the bid received from DILAX was non-responsive. The second bid, from Urban Transportation Associates (UTA) of Ohio, was determined responsive and was recommended for award by staff. The Notice of Staff Determination was appealed by DILAX. Following receipt of the DILAX appeal and upon further consultation with the department, staff recommended to reject all bids and re-bid the entire project with the intent to refine the bid specifications and increase the number of potential bidders through a new solicitation. Bid pricing was valid for sixty days from bid opening and expired on Dec. 17, 2010

Staff recommends the Council reject all bids to install automatic passenger counters on FAX buses, and direct staff to enhance the bid specifications and re-bid the project within 60 calendar days.

FISCAL IMPACT

No fiscal impact to reject bid and begin rebid process.

Project is 100% funded by ARRA.

EVALUATION OF BID PROPOSALS

Page 1

FOR: ARRA – AUTOMATIC PASSENGER COUNTERS

Bid File No.2952
Bid Opening: 8/12/10

<u>BIDDER'S</u>	<u>BID AMOUNT</u>
1. DIALAX Systems Inc. 200 MacDonald, Suite 305 Saint Jean sur Richelieu QC, Canada J3B 8J6	\$668,263.44 Non responsive
2 Urban Transportation Associates 700 E. McMillan Street Cincinnati, Ohio 45206	\$759,571.04 corrected total

Each bidder has agreed to allow the City one hundred twenty (120) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, September 22, 2010, 5:00 P.M.

The Engineer's Estimate/Budget Allocation for this expenditure is \$. The contract price is % below/above the Engineer's Estimate/Budget Allocation.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/ Division. Explain need for project/equipment):

Staff is recommending that Council reject all bids. In this two phase bid, 4 proposers were invited to test their equipment on FAX buses to determine their technical compliance with the specifications. Only two proposers, DILAX and UTA, installed equipment for the test phase. Following successful completion of the test phase, the same two bidders were asked to submit pricing for the bid portion of the process.

Council has previously rejected all bids in this procurement and staff had the two qualified bidders re-submit their pricing.

In this re-bid of the pricing phase, staff has determined that there were technical corrections to the specifications which would increase the accuracy of the pricing and potentially increase the number of bidders and that it was the Department's preference to reject all bids and start the procurement over and re-bid the entire process.

EVALUATION OF BID PROPOSALS

Page 2

FOR: ARRA – AUTOMATIC PASSENGER COUNTERS

Bid File No.295.
Bid Opening: 8/12/11

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ _____
to _____
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Staff has determined that there were technical corrections to the specifications which would increase the accuracy of the pricing and potentially increase the number of bidders

Department Head Approval



Title Director of Transportation

Date October 19, 2010

A DBE goal of ____% was established for this project. The recommended Contractor complied with the DBE requirements pursuant to the bid specifications.

<u>DBE Program Coordinator</u>		<u>Date</u>	
<input type="checkbox"/>	Approve Dept. Recommendation	<input type="checkbox"/>	Approve GSD/Purchasing Recommendation
<input type="checkbox"/>	Disapprove	<input type="checkbox"/>	Disapprove
<input type="checkbox"/>	See Attachment		

EVALUATION OF BID PROPOSALS

Page 3

FOR: ARRA – AUTOMATIC PASSENGER COUNTERS

Bid File No.2952
Bid Opening: 8/12/10

GENERAL SERVICES DEPARTMENT

CITY MANAGER

Jason B. MacDonald 10/19/10
Purchasing Manager Date

[Signature] 10/21/10
City Manager or Designee Date

[Signature] 10/19/10
Director Date