



**November 12, 2020**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Sole Source Agreement for the Replacement of Fluid Management System Remote Island Head Units

### **Overview**

The Orange County Transportation Authority operates a fleet of 777 revenue vehicles and 151 non-revenue vehicles that require managed fluid, such as oil dispensing. A proprietary computerized electronic fluid management system is currently used for authorizing fluid dispensing, as well as tracking odometer readings and fluid consumption of all fleet vehicles. One of the essential components of this system is the remote island head units installed at each base that electronically collect vital vehicle data. This equipment is obsolete and no longer manufactured. Board of Directors' authorization is requested for the purchase of 52 replacement remote island head units through a sole source agreement.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C02584 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$315,296, for the replacement of 52 remote island head units.

### **Discussion**

The fluid management system (FMS) is a critical part of the Orange County Transportation Authority's (OCTA) bus operations and support services. The FMS authorizes fluid dispensing, as well as collects and compiles vital vehicle and fueling data used to manage vehicle maintenance in order to comply with regulatory compliance requirements. One data point collected is the vehicle odometer reading, which is an essential component of OCTA's preventive maintenance program, as it identifies when a maintenance interval is approaching due as required by the vehicle manufacturer to retain warranty and receive optimum performance and service life. The FMS also provides data used to report to the

Federal Transit Administration's National Transit Database as required on an annual basis.

The FMS remotely collects odometer readings and other data each time a vehicle enters the fueling station. This data is collected through the remote island head (RIH) units, which have become obsolete and require replacement. S&A Systems, Inc. (S&A) is the original equipment manufacturer of the FMS and utilizes proprietary software and hardware to perform this function. No other manufacturer or third-party support is available for the replacement, maintenance, and support of this product.

### ***Procurement Approach***

This procurement for the purchase of the FMS RIH units was handled in accordance with OCTA Board of Directors (Board)-approved policies and procedures for a sole source procurement.

S&A is the exclusive owner of the FMS and the RIH equipment is an interfacing proprietary product. Therefore, this procurement meets the guidelines for a sole source purchase as these FMS RIH units are available from only one responsible source and no other supplier can perform the replacement, maintenance, and support of this product.

S&A's quote was reviewed by staff from the Contracts Administration and Materials Management and Maintenance Resource Management departments to ensure compliance with the technical contract terms and conditions, as well as the technical requirements.

In accordance with OCTA's sole source procurement procedures, a sole source over \$50,000 requires OCTA's Internal Audit Department to conduct an independent pre-award price review of the vendor's proposed pricing. Internal Audit's review found that rates proposed by S&A were comparable to the rates awarded by other transit agencies for similar equipment. In addition, S&A's quoted prices are six percent lower than the OCTA Project Manager's independent cost estimate. Therefore, pricing is deemed fair and reasonable.

### ***Summary***

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C02584 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$315,296, for the upgrade of 52 remote island head units.

***Attachment***

None.

**Prepared by:**



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**Approved by:**



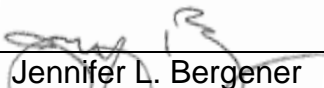
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