




January 14, 2021

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer 

Subject: Sole Source Agreement for Operations and Maintenance of Fluid Management System

Overview

The Orange County Transportation Authority utilizes a fleet of 778 revenue vehicles and 151 non-revenue vehicles to provide both OC Bus and OC ACCESS services. This fleet of vehicles requires managed fuel and fluid 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. The existing agreement for the operations and maintenance of the fluid management system will expire on February 28, 2021. Staff is requesting Board of Directors' approval to initiate a new sole source agreement to continue the operations and maintenance of the current system.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C-0-2615 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$644,296, for a four-year initial term with one, three-year option term, for the operations and maintenance of the current fluid management system.

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 fuel and fluid dispensing, as well as collects and compiles vital vehicle and fueling data used to manage vehicle maintenance and comply with regulatory compliance requirements. The proprietary software collects vehicle data to report to the Federal Transit Administration's National Transit Database as required on an annual basis. The FMS is also critical to the support of preventative maintenance intervals required to retain warranty and

optimum performance and service life. 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 ongoing maintenance and support of this product; without this ongoing support, a completely new system would be required.

In November 2020, the Board of Directors (Board) approved two sole source agreements to replace outdated fluid management equipment. One agreement was for the remote island head units, which collect data and dispense fluid such as fuel. The other agreement was to replace the data loggers in the non-revenue vehicles, which transmit data such as mileage, to identify when a maintenance interval is approaching due as required by the vehicle manufacturer to retain warranty. This equipment is part of the FMS that will be covered in the agreement for operations and maintenance.

Procurement Approach

This procurement for the operations and maintenance of the current FMS was handled in accordance with OCTA Board-approved policies and procedures for a sole source procurement.

S&A is the exclusive owner of the FMS and utilizes proprietary software and hardware. In order to ensure continuity of the FMS, it is necessary to secure ongoing maintenance and support services. Therefore, this procurement meets the guidelines for a sole source purchase as the maintenance and support of the FMS are available from only one responsible source and no other supplier can meet the requirements.

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 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 (Internal Audit) to conduct a price review of the vendor's proposed pricing. Internal Audit's review found that S&A's proposed pricing was comparable to what OCTA currently pays for the same service considering an appropriate escalation rate. Therefore, pricing is deemed fair and reasonable.

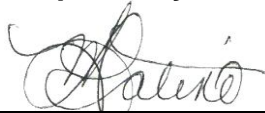
Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C02615 between the Orange County Transportation Authority and S&A Systems, Inc., in the amount of \$644,296, for a four-year initial term with one, three-year option term, for the operations and maintenance of the current fluid management system.

Attachment

None.

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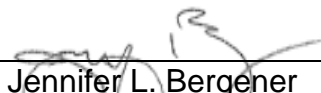
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