

AWARDING OF BIDS

1. MICROSOFT ENTERPRISE SOFTWARE & SERVICES

This bid was publicly advertised and ebusiness documents were made available. A total of six firms accepted the electronic invitation to bid and five bids were received for the purchase of Microsoft Enterprise Software & Services. The software and services will be used by Port Authority to facilitate operation of programs and keep current the computer system's license agreements and program updates.

RECOMMENDATION: That a contract be awarded to the lowest responsible bidder which submitted a responsive bid, Dell Marketing L.P., in the amount of \$661,474.65.

There has been no recent purchase of Microsoft Enterprise Software & Services, however, the price has been determined to be fair and reasonable and within the funds budgeted. Staff re-bid this item after a single bid was received in the amount of \$971,955.22 in January. The Procurement and IT Departments worked together to obtain a list of firms that are certified by Microsoft to provide these services. The Procurement Department then contacted these firms who were not currently registered on our ebusiness system and encourage them to register and submit pricing for the current bid. This effort saved the Authority \$310,480.57 based on the initial bid pricing.

2. ENGINE OIL FOR DIESEL ENGINES

This bid was publicly advertised and ebusiness bid documents were distributed. Five firms accepted the bid invitation and four bids were received for the purchase of engine oil for diesel engines for use in the maintenance of Port Authority's coach fleet over a one-year period.

RECOMMENDATION: That a contract be awarded to the lowest responsible bidder which submitted a responsive bid, Zappi Oil & Gas Company Inc., in the estimated amount of \$613,800 for a one-year period.

This price represents approximately a 17 percent increase from the previous bid price paid one year ago. The increase in pricing is reflective of the current market conditions and increases in the oil industry.

3. PERMANENT TYPE ANTIFREEZE

This bid was publicly advertised and ebusiness bid documents were distributed. Five firms accepted the bid invitation and five bids were received for the purchase of permanent type antifreeze for use in the Authority's coaches over a two-year period.

Staff has researched the market conditions that attributed to this significant increase and has found that an increase in the use/manufacturing of polyester (which uses glycol, a key ingredient to antifreeze) has triggered the market increase. On the supply side, the two major producers remain on allocation and higher prices for glycol in Europe have diverted spot supplies to that region. This further tightening of supply/demand balance coupled with higher glycol prices in Asia and Europe are forcing higher prices in the U.S.

BULK RECOMMENDATION: That a contract be awarded to the lowest responsible bidder which submitted a responsive bid, Zappi Oil & Gas Company Inc., in the estimated amount of \$536,900.00.

This price represents approximately an 18 percent increase per year over the previous bid price paid two years ago.

DRUM RECOMMENDATION: That a contract be awarded to the lowest responsible bidder which submitted a responsive bid, Hightowers Petroleum, in the estimated amount of \$6,265.00.

This price represents a 15 percent increase per year over the previous bid price paid two years ago.

4. SUBWAY EMERGENCY EGRESS DOOR REPLACEMENT

This bid was publicly advertised and ebusiness bid documents were distributed. Four firms accepted the bid invitation and three bids were received for the replacement of subway emergency egress doors.

RECOMMENDATION: That a contract be awarded to the lowest responsible bidder which submitted a responsive bid, Acme Door & Hardware Inc., in the amount of \$180,235.00.

After review by Engineering, it was determined that when compared to the price for similar doors under the North Shore Connector Station Finishes Contract, the price has been determined to be fair and reasonable and within the funds budgeted.

5. BERRY STREET AND WABASH TUNNEL FAN REHABILITATION

This bid was publicly advertised and ebusiness bid documents were distributed. Two firms accepted the bid invitation and two bids were received for the Berry Street and Wabash Tunnel fan rehabilitation.

RECOMMENDATION: That a contract be awarded to the lowest responsible bidder which submitted a responsive bid, United Industrial Group Inc., in the estimated amount of \$819,114.00.

This price represents a six percent decrease over the previous bid price paid one year ago for similar services.

6. 40-FOOT LOW-FLOOR TRANSIT COACHES (CHANGE ORDER)

At its June 2010 meeting, the Board authorized an agreement with Gillig for the purchase of up to 28 40-foot low-floor coaches with an option to purchase up to an additional 500 coaches over the next five years.

There is a need for the Authority to exercise this option in order to continue the process of replacing existing vehicles in the fleet which are 12 years old and have in excess of 500,000 miles and have reached the end of their useful life.

RECOMMENDATION: That a contract amendment is executed with Gillig in the amount of \$18,149,162.95, which will execute the option for 45 additional 40-foot low-floor coaches and one major components package.

This price represents pricing received for the purchase of transit coaches in accordance with the existing approved contract.

7. 60-FOOT LOW-FLOOR TRANSIT COACH (CHANGE ORDER)

At its June 2010 meeting, the Board authorized an agreement with New Flyer of America (New Flyer) for the purchase of up to 25 60-foot low-floor articulated coaches with an option to purchase up to an additional 125 coaches over the next five years.

There is a need for the Authority to exercise this option in order to continue the process of replacing existing vehicles in the fleet which are at least 12 years old and have in excess of 500,000 miles and have reached the end of their useful life.

RECOMMENDATION: That a contract amendment is executed with New Flyer in the amount of \$23,400,381.36, which will execute the option for 35 additional 60-foot low-floor articulated coaches and one major components package.

This price represents pricing received for the purchase of transit coaches in accordance with the existing approved contract.

RESOLUTION

RESOLVED, that recommendations as set forth in the report are accepted and that the chief executive officer or chief financial officer be, and they hereby are, authorized and directed to execute such documents on behalf of Port Authority of Allegheny County as shall be required for the entry of proper contracts covering those items recommended for acceptance.