

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

RESOLUTION NO. 07-09-___

OFFICIAL COMMISSION MEETING

SECOND: _____

SEPTEMBER 6, 2007

RE: AUTHORIZATION FOR THE EXECUTIVE DIRECTOR AWARD A CONTRACT TO TWINVISION, NA, INC. FOR THE PURCHASE AND INSTALLATION OF LED DESTINATION SIGNS FOR 13 MODEL YEAR 2000 ORION BUSES

WHEREAS, the Potomac and Rappahannock Transportation Commission (PRTC) desires to standardize its message signs on the outside of its buses to facilitate customer comprehension, reduce inventory requirements, lower “message sign” maintenance costs, and simplify maintenance training; and

WHEREAS, the standardized message sign PRTC has chosen is a light emitting diode (LED) sign exclusively manufactured by TwinVision, Na, Inc., that all but thirteen (13) of PRTC “active fleet” buses have; and

WHEREAS, PRTC was preparing to acquire the same signs for the 13 buses that don’t have them, as yet, by including them on a “brand name” basis as part of a specification for the rehabilitation of these 13 buses that the Commission previously authorized; and

WHEREAS, TwinVision has made an unsolicited proposal whereby these same 13 signs would be purchased at a discounted price, independent of the rehabilitation, as consideration for PRTC allowing TwinVision to salvage existing flip-dot signs on these 13 buses for TwinVision’s use in maintaining such signs that other transit systems continue to use; and

WHEREAS, a procurement of this sort qualifies as a sole source procurement, which is allowable under the Virginia Public Procurement Act and PRTC’s adopted purchase policy if it is determined that only one source is available as a practical matter for the proposed purchase; and

WHEREAS, PRTC management has made the foregoing determination, since TwinVision is the sole manufacturer of the subject signs; and

ITEM 12.B-7

(6 PAGES)

WHEREAS, a sole-source procurement that pairs the purchase of these signs with the “trade-in” of the antiquated flip-dot signs they would be replacing would be in PRTC’s financial interest because TwinVision alone ascribes value to the flip-dot signs that would otherwise become scrap; and

WHEREAS, a written notice of this intended sole-source procurement has been prepared and publicly issued/posted as required by the Virginia Public Procurement Act and PRTC’s adopted purchase policy; and

WHEREAS, funding for this procurement is included in PRTC’s budget.

NOW, THEREFORE, BE IT RESOLVED, that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to execute a contract with TwinVision na, Inc. to supply and install LED destination signs in PRTC’s 13-year 2000 Orion buses at a cost of \$84,955.

BE IT FURTHER RESOLVED, that the Commission also authorizes the Executive Director to transfer to TwinVision, na Inc. ownership of the existing flip-dot signs that the LED destination signs will be replacing.

September 6, 2007

TO: Chairman Gibbons and Commissioners

FROM: Alfred H. Harf
Executive Director

RE: Authorization for the Executive Director Award a Contract to TwinVision, na, Inc. for the Purchase and Installation of LED Destination Signs for 13 Model Year 2000 Orion Buses

Recommendation:

Authorize the Executive Director to award a contract to TwinVision, na, Inc. for the purchase and installation of LED destination signs for thirteen (13) model year 2000 Orion buses.

Background:

TwinVision LED destination signs have been acquired on a “brand name” basis for all of PRTC’s new bus purchases since the year 2000 and as part of the “refurbishment” specifications for the 1993 and 1995 MCI buses. Management was planning to do the same thing in preparing the specification for the refurbishment of PRTC’s seven-year old Orion buses so the antiquated, flip-dot destination signs¹ on these buses could be replaced (the Orion buses are the only remaining vehicles in PRTC’s active fleet with flip-dot signs), but now has an alternate plan that is the subject of this recommended action.

The recommended alternate plan is the end result of an unsolicited proposal from TwinVision, in which TwinVision would: (1) buy back the Orion bus flip-dot signs so they can be used by TwinVision to fix or replace units for other transit properties still employing flip-dot signs (rather than gearing up a production line to manufacture new parts for these antiquated signs); and (2) sell new LED signs to PRTC at a lower cost than PRTC would incur if the signs were purchased as part of the “Orion refurbishment” procurement. The flip-dot signs have no resale value to anyone other than TwinVision, and thus they would end up as scrap if they were simply replaced as part of the Orion refurbishment. Management has confirmed that TwinVision’s asking price per bus in its unsolicited proposal is demonstrably less than the cost per bus would be if it were purchased as part of the refurbishment procurement, as the following comparative summary shows.

¹ LEDs are much more visible and reliable than the older, flip-dot technology and having a standardized sign type for the entire fleet has the added virtue of simplifying maintenance and the costs thereof.

The company that performed PRTC's last refurbishments (on the 1993 and 1995 MCI coaches) paid TwinVision \$5,530 per bus for the same LED signs. On top of that cost, PRTC paid an estimated 10 percent in handling and profit and \$500 for installation, which all total amounts to a cost of \$6,583 per bus. In contrast, TwinVision has proposed a cost per bus of \$5,835, providing PRTC a savings of about \$748 per bus or \$9,724 for all 13 Orions. The total project cost is \$84,955.

A purchase transaction as proposed qualifies as a "sole-source procurement", as allowed by the Virginia Public Procurement Act and PRTC's adopted purchase policy if it is determined that only one source is available as a practical matter for the proposed purchase. Management has made this determination, since the subject sign is both manufactured and solely distributed by TwinVision, meaning that any other vendor offering to sell this same sign would have to buy it from TwinVision in the first instance. Moreover, TwinVision alone ascribes value to the obsolete flip dot signs and is therefore willing to discount the acquisition cost of LED signs that PRTC intended to acquire as part of its Orion refurbishment as consideration for the flip-dot signs.

In accordance with the Virginia Public Procurement Act and PRTC's adopted purchase policy, a written notice has been prepared (attached): stating that only one source was determined to be practicably available; identifying the goods being procured; identifying the contractor selected; and identifying the date the contract will be awarded subject to the Commission's approval. The written notice has been posted on both PRTC's web-site and a bulletin board in the PRTC Transit Center passenger waiting area.

Fiscal Impact:

The cost to replace flip dot signs with LED signs was incorporated in the estimated amount to refurbish the Orion buses, which was included in PRTC's budget for this fiscal year.

Attachment: As stated