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**Title:** Award a professional service contract for physical inventory services to Bureau Veritas for a sum of \$98,080.48 (RFP File 10090)

**Sponsors:** Department of Transportation

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**REPORT TO THE CITY COUNCIL**

**FROM:** JOE VARGAS, Director  
Department of Transportation

**BY:** BRIAN BARR, Assistant Director  
Department of Transportation

**SUBJECT**

Award a professional service contract for physical inventory services to Bureau Veritas for a sum of \$98,080.48 (RFP File 10090)

**RECOMMENDATION**

Staff recommends Council Award a professional service contract for physical inventory services to Bureau Veritas for a sum of \$98,080.48.

**EXECUTIVE SUMMARY**

The Department of Transportation/Fresno Area Express (FAX) as a recipient of Federal Transit Administration (FTA) federal funding, is required to follow the two distinct equipment management requirements of 2 CFR 200.313 and Title 49 Part 625, which includes maintaining property records, conducting and reconciling a physical inventory, and developing an adequate property control system.

To fulfill this obligation, FAX posted a Request for Proposals (RFP) and received two proposals to the solicitation. After review of the proposals by the evaluation committee, it was determined that Bureau Vertias best satisfies the criteria listed in the RFP.

## BACKGROUND

The Department of Transportation/Fresno Area Express (FAX) as a recipient of Federal Transit Administration (FTA) federal funding, is required to follow the two distinct equipment management requirements from 2 CFR 200.313 and Title 49 Part 625, which includes maintaining property records, conducting and reconciling a physical inventory, performing condition assessments, and developing an adequate property control system.

The requirements of 2 CFR 200.313, includes equipment, with a useful life of one year or greater and a value of \$5,000 or greater, acquired in whole or in part under federal award and until disposition. Property records must contain a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. Additionally, a physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

Title 49 Part 625 establishes a national Transit Asset Management (TAM) System to monitor and manage public transportation capital assets to enhance safety, reduce maintenance costs, increase reliability, and improve performance. Among its requirements is establishing a TAM Plan using the nine elements listed in 49 CFR § 625.25.

A TAM Plan is a strategic and systematic planning tool to manage transit capital assets based on careful planning and improved decision-making and is required of all providers by the FTA. A TAM Plan uses transit asset condition to guide how to manage capital assets and prioritize funding to improve or maintain the overall transit fleet and facilities to a target level of State of Good Repair (SGR). The Federal government defines State of Good Repair as “the condition in which an asset is able to operate at a full level of performance”. Put simply, a TAM Plan is a business model that evaluates asset condition to develop a prioritized asset replacement strategy. For the purposes of TAM, the inventory must include all capital assets, except equipment with an acquisition value under \$50,000 that is not a service vehicle. This inventory also includes third-party owned or jointly procured exclusive-use maintenance facilities, passenger station facilities, administrative facilities, rolling stock, and guideway infrastructure used by a provider in the provision of public transportation.

Annually, a data report to FTA's National Transit Database (NTD) must reflect the SGR performance targets for the following year and condition information for the provider's public transportation system. Additionally, an annual narrative report to the NTD must be provided that describes any change in the condition of the transit system from the previous year and describes the progress made during the year to meet the performance targets set in the previous reporting year. The before mentioned reporting contains information such as inventory levels and asset usage, ownership, disposition, and overall condition must be presented to the FTA for review.

As a separate action, FAX is implementing an asset management module of our current Trapeze software. The inventory count and property records reconciliation from Bureau Veritas will be used as the baseline for this software implementation.

This work is normally accomplished by staff but due to personnel constraints and limited technology

solutions, an outside firm provides the best means of performing and recording this regulatory mandated task within the established deadline.

The RFP was published in Planet Bids on December 31, 2021, and posted to MassTransit.org. The specifications were distributed to 22 prospective bidders. Two proposals were received and opened in a public bid opening on February 18, 2022. Evaluation Committee reviewed the proposals and determined that Bureau Veritas best met the criteria listed in the solicitation.

The City Attorney has reviewed the Agreement and approved it to form.

## **ENVIRONMENTAL FINDINGS**

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 the award of this contract does not qualify as a “project”; therefore, it is exempt from the California Environmental Quality Act requirements.

## **LOCAL PREFERENCE**

Local preference was not considered in the selection process due to the use of federal funds which precludes the use of local preference. The project has no Project Labor Agreement (PLA) requirements, as it is not a capital/construction project.

## **FISCAL IMPACT**

The Bureau Veritas contract will be 80% funded by FAX’s annual allocation of FTA program 5307 funds and 20% by local match funding. There is no fiscal impact to the General Fund from this request.

Attachment:  
Committee Report