

**Board Report**

File #: 2015-1314, **File Type:** Contract**Agenda Number:** 39.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 21, 2016****SUBJECT: NATURAL GAS FUELED ENGINES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a 24 month, firm fixed price **contract under Bid Number SD17491 to Cummins Pacific the lowest responsive and responsible bidder for the procurement of 289 Natural Gas Fueled Heavy Duty Engines** for an amount not to exceed \$13,211,635.

ISSUE

As part of the Central Maintenance Facility (CMF) Bus Midlife/Engine replacement program, the existing Cummins ISL G 280 engines currently installed in our NABI 8100 series 45-foot buses will be replaced with new engines. This procurement is required to ensure the current engine replacement program continuation without delays and with no impact on revenue service.

DISCUSSION

CMF staff has identified a requirement to purchase up to 289 natural gas fueled heavy duty engines to replace currently installed Cummins ISL G 280 engines during the period FY16 through FY18. The Cummins ISL G 280 engines covered under this procurement will be installed as part of the bus midlife overhaul program.

This Cummins ISL G 280 engine is certified for 2012 and compliant to Federal Environmental Protection Agency (EPA) urban bus emission levels and California Air Resources Board (CARB) low Nitrogen Oxides for year 2012. The Cummins ISL G 280 natural gas fueled heavy-duty engines are warranted to be free from defects in design and materials for two-years with unlimited mileage with full parts and labor on all warrantable failures.

DETERMINATION OF SAFETY IMPACT

The award of this contract will result in a positive impact on safety. Installation of these new engines will ensure that buses are maintained in accordance with Metro Maintenance standards and improve on-road performance and reliability, with beneficial impact on system safety.

FINANCIAL IMPACT

Total base contract value is not-to-exceed \$ 13,211,635.00. The funding of \$1,828,600 for these engines is included in the FY16 budget in cost center 3366, under project 203036, Bus Midlife Program and line item 50441, Parts- Revenue Vehicle. Since this is a multi-year contract, the project manager, cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years, including any option exercised.

Impact to Budget

The source of the funds for this procurement is Transportation Development Act (TDA) funds. No other sources of funds were considered for the Cummins ISL G 280 engines because these are the designated funds available for this effort. By proceeding with the purchase of these engines, operating costs will remain neutral.

ALTERNATIVES CONSIDERED

The alternative is not to award this master agreement contract and procure natural gas fueled heavy-duty engines on an as-needed basis, using the traditional "min/max" replenishment system method. The "min/max" replenishment system method calculates minimum and maximum inventory levels. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure availability, timely delivery, continued supply and a guaranteed fixed price for natural gas fueled heavy-duty engines.

NEXT STEPS

Refurbishment of the NABI bus fleet will continue in accordance with Operations Support Services bus mid-life program and engine replacement program. The engine replacement of this NABI bus series is scheduled to be completed by the end of the third quarter, FY18.

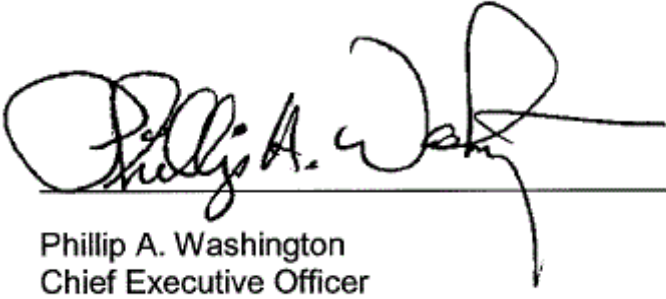
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Reviewed by: Ivan Page, Interim Executive Director, Vendor/Contract Management
James T. Gallagher, Chief Operations Officer



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

NATURAL GAS FUELED ENGINES/IFB NO. SD17491

1.	Contract Number: IFB No. SD17491	
2.	Recommended Vendor: Cummins Pacific LLC	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 09/25/15	
	B. Advertised/Publicized: 09/26/15	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 11/17/15	
	E. Pre-Qualification Completed: 12/03/15	
	F. Conflict of Interest Form Submitted to Ethics: 11/19/15	
	G. Protest Period End Date: 1/27/16	
5.	Solicitations Picked up/Downloaded: 15	Bids/Proposals Received: 2
6.	Contract Administrator: Mona Ismail	Telephone Number: 213-922-7376
7.	Project Manager: Amy Romero	Telephone Number: 213-922-5709

A. Procurement Background

This Board Action is to approve a Contract resulting from an IFB no. SD17491 procurement issued in support of natural gas fueled heavy duty engines for bus maintenance and operations.

The IFB was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

One amendment was issued during the solicitation phase of this IFB.

- Amendment No. 1, issued on November 3, 2015, answered vendor questions and changed Section 2.8 of the Technical Specification to allow for an alternate Zero Emission Fuel engine.

Two bids were received and opened November 17, 2015.

B. Evaluation of Proposals/Bids

A total of two bidders, Cummins Pacific, LLC and R-T Welding, responded to this solicitation. Both submitted bids for the Natural Gas Engines and both submitted an alternate bid for Zero Emissions Engines. All submittals including the alternates were found to be fully compliant with the bid requirements. R-T Welding requested

and was allowed to withdraw their bid because of the company's financial concerns regarding maintaining the pricing and warranty submitted with the bid.

Therefore, the firm recommended for award is Cummins Pacific LLC the lowest, responsive, responsible bidder.

	Bidder/Proposer Name	Bid Amount For Natural Gas Engines	Alternate Bid Amount for Zero Emissions Engines
1.	*R-T Welding alternate	\$13,207,300.00	\$16,920,950.00
2.	Cummins Pacific LLC alternate	\$13,211,635.00	\$16,929,620.00

* Bid withdrawn per vendor's request

C. Price Analysis

The recommended price has been determined to be fair and reasonable based on adequate price competition, a price analysis with the previous purchase pricing and the end user's estimate.

Low Bidder Name	Bid Amount For Natural Gas Engines	Metro ICE
Cummins Pacific LLC	\$13,211,635.00	\$12,736,880.00

D. Background on Recommended Contractor

The recommended firm, Cummins Pacific LLC, located in Irvine, CA, has been in business for 24 years, is a leader in the field of manufacturing engines and is an aftermarket distributor of bus parts. Cummins Pacific LLC has provided similar products to other transit agencies including Orange County Transportation Authority, Santa Monica Big Blue Bus, San Diego Metropolitan Transit System, and other agencies. To date, Cummins Pacific LLC has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

NATURAL GAS FUELED ENGINES/IFB NO. SD17491

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Race-Conscious Disadvantaged Business Enterprise (RC DBE) based on limited subcontract opportunities, and as part of an ongoing program, Metro personnel will be responsible for the continuous engine replacement. Although there were no opportunities for subcontracting identified by Metro, Cummins Pacific outreached to DBE shipping firms and made a 0.48% DBE commitment.

Small Business Goal	DBE 0%	Small Business Commitment	DBE 0.48%
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	DBE Subcontractors	Ethnicity	% Committed
1.	Say Cargo Express, Inc.	Hispanic American	0.48%
	Total Commitment		0.48%

B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

The Project Labor Agreement/Construction Careers Policy is not applicable to this contract.