



Board Report

File #: 2018-0496, File Type: Contract

Agenda Number: 19.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 20, 2018

SUBJECT: BUS ENGINE IGNITION COILS

ACTION: CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two year, Indefinite Delivery, Indefinite Quantity Contract No. MA48849-2000 to Cummins Inc. for bus engine ignition coils with a first year base contract amount of \$678,129, inclusive of sales tax, and a second year contract amount of \$695,106, inclusive of sales tax, for a total contract value of \$1,373,235, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of new bus engine ignition coils which are required for maintaining the safe and reliable operation of the bus fleet. Award of this Contract will ensure that Bus Maintenance has adequate inventory to repair and maintain buses according to Metro maintenance standards.

BACKGROUND

The component usage reports from Material Management revealed that over 5,000 engine ignition coils were issued to Bus Maintenance to replace failed components and to support replacement during engine rebuild programs. The engine ignition coils are installed by Metro Mechanics at the Central Maintenance Shops and at all bus operating divisions. Buses cannot operate without properly functioning engine ignition coils.

DISCUSSION

Ignition coils are an electronic engine management component that are a part of the bus's ignition system. The ignition coil is the component responsible for generating the engine spark, and any problems with the ignition coil can quickly lead to engine performance issues. The engine ignition coils support over 90% of our bus fleet which have Cummins 8.9 ISLG and L9N Near-Zero engines installed. The ignition coil is an Original Equipment Manufacturer (OEM) part delivered direct from the engine manufacturer, Cummins, due to historical problems encountered with aftermarket ignition parts, including increased road calls and service reliability.

The Contract to be awarded is a “requirements type” agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation or commitment for us to order any or all of the ignition coils that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) goal for this solicitation due to the lack of opportunities for subcontracting. Opportunities for subcontracting were not apparent. The purchased engine ignition coils are installed by Metro Mechanics.

Bus engine ignition coils will be purchased and maintained in inventory and managed by Material Management. As ignition coils are issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

Award of contract will ensure that all operating divisions and the Central Maintenance Facility have an adequate inventory to maintain the equipment according to Metro Maintenance standards.

FINANCIAL IMPACT

Funding in the amount of \$678,129 for these ignition coils is included in the FY19 budget under account 50441, Parts - Revenue Vehicle in multiple bus operating cost centers under project 306002 Operations Maintenance, and in the Central Maintenance cost center 3366 under project 203035 Bus Engine Replacement Project.

Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years.

Impact to Budget

The current source of funds will come from Federal, State, and local funds including sales tax and fares. This fund allocation maximizes allowable fund use given approved provisions and guidelines.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this recommendation supports the following Metro Strategic Plan Goal: Provide high quality mobility options that enable people to spend less time travelling. This project will maintain the reliability of the bus fleet, in an effort to provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.

ALTERNATIVES CONSIDERED

The alternative is to not award the Contract and procure engine ignition coils on the open market on an as-needed basis. This approach is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

NEXT STEPS

Metro's requirements for bus engine ignition coils will be fulfilled under the provisions of the Contract.

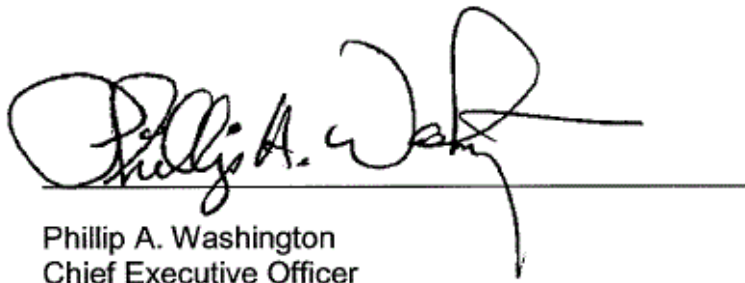
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

BUS ENGINE IGNITION COILS/MA44849-2000

1.	Contract Number: MA48849-2000	
2.	Recommended Vendor: Cummins Inc.	
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: May 3, 2018	
	B. Advertised/Publicized: May 4, 2018	
	C. Pre-Bid Conference: N/A	
	D. Bids Due: June 6, 2018	
	E. Pre-Qualification Completed: June 25, 2018	
	F. Conflict of Interest Form Submitted to Ethics: June 25, 2018	
	G. Protest Period End Date: September 28, 2018	
5.	Solicitations Picked up/Downloaded: 7	Bids Received: 3
6.	Contract Administrator: Mona Ismail	Telephone Number: 213-922-7376
7.	Project Manager: Alex DiNuzzo	Telephone Number: 213-922-5860

A. Procurement Background

This Board Action is to approve Contract No. MA48849-2000 issued in support of procurement of ignition coils for Metro's natural gas fueled heavy duty engines. Board approval of contract award is subject to resolution of any properly submitted protest.

IFB No. MA48849-2 was issued in accordance with Metro's Acquisition Policy and the contract type is an indefinite delivery, indefinite quantity.

No amendments were issued during the solicitation phase of this IFB.

A total of three bids were received on June 6, 2018.

B. Evaluation of Bids

This procurement was conducted in accordance, and complies with Metro's Acquisition Policy for a competitive sealed bid. The three bids received are listed below in alphabetical order:

1. CBM US, Inc.
2. Cummins Inc.
3. The Aftermarket Parts Co. DBA New Flyer Parts

Only Cummings Inc. and The Aftermarket Parts Inc. were determined to be responsive and responsible, and in full compliance with the requirements of the IFB. CBM US, Inc. was non-compliant to the IFB Buy America requirement.

C. Price Analysis

The recommended bid price from Cummins, Inc. has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

Bidder Name	Bid Amount	Metro ICE
Cummins Inc.	\$1,373,235.12	\$1,353,600.00
The Aftermarket Parts Co.	\$1,622,684.88	\$1,353,600.00

D. Background on Recommended Contractor

The recommended firm, Cummins Inc., located in Irvine, CA has been in business for 99 years, and is a leader in heavy duty commercial engines. Cummins currently has multiple contracts with Metro for fuel flow valves, head assembly kits and for fuel pressure regulator valves. Cummins has and continues to provide satisfactory products and services to Metro.

DEOD SUMMARY

BUS ENGINE IGNITION COILS/MA44849-2000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this solicitation due to lack of subcontracting opportunities. Cummins, Inc. is an Original Equipment Manufacturer (OEM) of the Bus Engine Ignition Coil part that is shipped directly to Metro and installed by Metro staff.

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 wages are not applicable to this Contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.