



Board Report

File #: 2018-0628, File Type: Contract

Agenda Number: 23.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 15, 2018

SUBJECT: ELECTRONIC CONTROL MODULE

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two year, Indefinite Delivery, Indefinite Quantity Contract No. MA49132000 to Cummins Inc., for electronic control modules for a one year base amount of \$730,578, inclusive of sales tax, and a second year amount of \$748,845, inclusive of sales tax, for a total contract value of \$1,479,423, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of new engine electronic control modules, 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 on an annual basis nearly 300 engine electronic control modules were issued to Bus Maintenance to replace failed components and to support replacement during engine rebuild programs. The control modules are installed by Metro Mechanics at the Central Maintenance Shops and at all bus operating divisions. Buses cannot operate without properly functioning engine control modules.

DISCUSSION

Engine electronic control modules are an engine management component that is commonly known to be the brains of the engine. The control module provides key data to the engine and component parts and ensures efficient operation of the engine to meet emission regulations. Problems with the engine electronic control module can quickly lead to engine performance issues. The engine electronic control modules support over 90% of our bus fleet which have Cummins 8.9 ISLG engines and Cummins 8.9 ISLG Near-Zero engines.

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 engine control modules 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) recommended a two percent (2%) DBE goal for this solicitation. The purchased engine electronic control modules are installed by Metro Mechanics.

Bus engine electronic control modules will be purchased and maintained in inventory and managed by Material Management. As electronic control modules 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 \$730,578 for these engine electronic control modules 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.

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 sources of funds for this action are Federal Section 5307, State SB1, Proposition A/C, Measure R/M, and Transportation Development Act. Use of these funding sources currently maximizes funding allocation given approved funding provisions and guidelines.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The procurement of engine electronic control modules supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new engine electronic control modules will maintain the reliability of the bus fleet and ensure that our customers are able to arrive at their destinations without interruption and in accordance with the scheduled service intervals for Metro bus operations.

ALTERNATIVES CONSIDERED

The alternative is to not award the Contract and procure engine electronic control modules 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 electronic control modules will be fulfilled under the provisions of the Contract.


ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared By: James D. Pachan, Superintendent of Maintenance, (213) 922-5804

Reviewed by: Debra Avila, Chief Vendor/Contract Management (213) 922-6383
James T. Gallagher, Chief Operations Officer (213) 418-3108



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

ELECTRONIC CONTROL MODULE / MA49132000

1.	Contract Number: MA49132000	
2.	Recommended Vendor: Cummins Inc. 1939 Deere Avenue, Irvine, CA 92606	
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: 7/25/18	
	B. Advertised/Publicized: 7/25/18	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 8/30/18	
	E. Pre-Qualification Completed: 9/21/18	
	F. Conflict of Interest Form Submitted to Ethics: 9/21/18	
	G. Protest Period End Date: 11/20/18	
5.	Solicitations Picked up/Downloaded: 11	Bids/Proposals Received: 2
6.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018
7.	Project Manager: Alex DiNuzzo	Telephone Number: 213/922-5860

A. Procurement Background

This Board Action is to approve Contract No. MA49132000 issued for the procurement of Electronic Control Modules. Board approval of contract award is subject to resolution of any properly submitted protest.

IFB No. MA49132 was issued in accordance with Metro’s Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

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

A total of two bids were received on August 30, 2018.

B. Evaluation of Bids

This procurement was conducted in accordance, and complies with LACMTA’s Acquisition Policy for a competitive sealed bid. The two bids are listed below in alphabetical order:

1. Cummins, Inc.
2. The Aftermarket Parts Company, LLC (New Flyer Parts)

All bids received were determined to be responsive and responsible, and in full compliance with the requirements of the IFB.

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.

Low Bidder Name	Bid Amount	Metro ICE
Cummins Inc.	\$1,479,423	\$1,430,023
The Aftermarket parts Company, LLC (New Flyer Parts)	\$1,714,921	

D. Background on Recommended Contractor

The recommended firm, Cummins Inc. is located in Irvine, CA has been in business for 26 years. Cummins Pacific, LLC has provided similar products for other agencies including Orange County Transportation Authority, San Diego Metropolitan Transit System, and Santa Monica’s Big Blue Bus and has provided satisfactory service and product to Metro on previous purchases.

DEOD SUMMARY

ELECTRONIC CONTROL MODULE / MA49132000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 2% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Cummins, Inc. met the goal by making a 2% DBE commitment.

Small Business Goal	2% DBE	Small Business Commitment	2% DBE
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	DBE Subcontractors	% Committed
1.	Say Cargo Express	2%
	Total Commitment	2%

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

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) 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

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