



Board Report

File #: 2021-0035, File Type: Contract

Agenda Number: 21.

OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE APRIL 15, 2021

SUBJECT: BUS ENGINE CYLINDER HEAD ASSEMBLIES

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, firm fixed price Contract No. MA73218000 to Cummins Inc., the lowest responsive and responsible bidder for Cylinder Head Assemblies. The Contract one-year base amount for is \$1,723,070 inclusive of sales tax, and the one-year option amount is \$1,766,147, inclusive of sales tax, for a total contract amount of \$3,489,217, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of new bus engine cylinder head assemblies 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 approximately 342 engine cylinder head assemblies were issued to Bus Maintenance to support replacement of these components during engine rebuild programs or for replacement of cylinder heads that crack, warp, or sustain other damage during normal operation. The engine cylinder head assemblies are installed by Metro Mechanics at the Central Maintenance Shops and at all bus operating divisions. Buses cannot operate without properly functioning engine cylinder head assemblies.

DISCUSSION

A cylinder head assembly is a precisely engineered block of metal that sits on top of the engine and houses many of the engine's moving parts, including the intake and exhaust valves, valve springs and lifters, and the spark plugs. Cylinder heads that crack, warp, or sustain other damage need to be replaced. The cylinder head assemblies support 100% of our bus fleet, which have Cummins 8.9 ISLG and L9N Near-Zero engines installed.

The contract to be awarded is a “requirements type” agreement in which Metro commits 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 Metro to order all of the cylinder heads that may be currently anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The Diversity and Economic Opportunity Department (DEOD) established a two percent (2%) DBE goal for this solicitation. The purchased engine cylinder head assemblies are installed by Metro Mechanics.

Bus engine cylinder head assemblies will be purchased and maintained in inventory and managed by Material Management. As cylinder head assemblies 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

The funding of \$1,723,070 for these cylinder head assemblies is included in the FY21 budget under account 50441, Parts - Revenue Vehicle in multiple bus operating division cost centers in project 306002 and in the Central Maintenance cost center 3366 in project 203025 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 including any option exercised.

Impact to Budget

The source of funds will come from Federal and local funds that are eligible for Bus and Rail Operating Projects. Using these funding sources maximizes the allowable project funding designations given approved provisions and guidelines.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The procurement of cylinder head assemblies supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new cylinder heads 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 cylinder head assemblies 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 cylinder head assemblies will be fulfilled under the provisions of the contract.

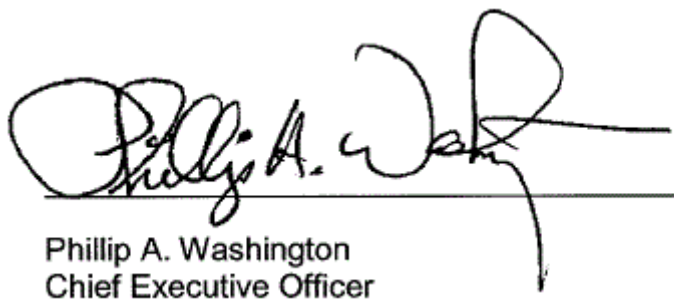
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY
CYLINDER HEAD ASSEMBLY
CONTRACT NO. MA73218000

1.	Contract Number: MA73218000	
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: 12/9/20	
	B. Advertised/Publicized: 12/11/20	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 1/12/21	
	E. Pre-Qualification Completed: 1/22/21	
	F. Conflict of Interest Form Submitted to Ethics: 1/20/21	
	G. Protest Period End Date: 2/26/21	
5.	Solicitations Picked up/Downloaded: 16	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. MA73218000 for the procurement of Cylinder Head Assembly. Board approval of contract awards are subject to resolution of any properly submitted protest.

An Invitation of Bid (IFB) No. MA73218 was issued in accordance with Metro's Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

No amendment was issued during the solicitation phase of this IFB.

A total of two (2) bids were received on January 12, 2021:

1. Cummins Inc.
2. Technology International Inc.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with LACMTA's Acquisition Policy for a competitive sealed bid. The two (2) bids received were deemed responsive and responsible to the IFB requirements.

The recommended firm, Cummins Inc., the lowest responsive and responsible bidder, was found to be in full compliance in meeting the bid and technical 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, Independent Cost Estimate (ICE), historical purchases and selection of the lowest responsive and responsible bidder.

Bidders Name	Bid Amount	Metro ICE
Cummins Inc.	\$3,489,216.95	\$3,136,553.00
Technology International Inc.	\$3,809,312.28	

D. Background on Recommended Contractor

The recommended firm, Cummins Inc. (Cummins) is located in Irvine, CA has been in business for one hundred (100) years. Cummins has provided similar products to Metro, Orange County Transit Authority, San Diego Metropolitan Transit System, and Santa Monica Big Blue Bus and numerous other transit agencies. Cummins has provided satisfactory service and products to Metro on previous purchases.

DEOD SUMMARY

CYLINDER HEAD ASSEMBLY
CONTRACT NO. MA73218000**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 2% Disadvantaged Business Enterprise (DBE) goal for this indefinite delivery/indefinite quantity (ID/IQ) Task Order contract. Cummins, Inc. made a 2% DBE commitment.

In response to a specific Task Order request, Cummings, Inc. will be required to identify DBE subcontractor activity and actual dollar value commitments for that Task Order. Overall DBE achievement in meeting the commitment will be determined based on cumulative DBE participation of all Task Orders awarded.

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

B. Living Wage / Service Contract Worker Retention Policy Applicability

The Living Wage / 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

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