

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**SYSTEM SAFETY AND OPERATIONS COMMITTEE
SEPTEMBER 19, 2013****SUBJECT: NATURAL GAS FUELED ENGINES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

- A. Award a firm fixed price contract under Bid No. 13-0029 to Cummins Cal Pacific, LLC, the lowest responsive and responsible bidder, for the procurement of up to 100 natural gas fueled engines for an amount not-to-exceed \$5,328,138 inclusive of sales tax.
- B. Authorize the CEO to exercise option with Cummins Cal Pacific, LLC for 95 additional natural gas fueled engines, if required, for an amount not-to-exceed \$5,290,473 inclusive of sales tax.

ISSUE

As part of the Central Maintenance Facility (CMF) Bus Midlife/Engine replacement program, the existing Cummins ISL G 320 engines currently installed in our NABI 9400 and 9500 series articulated 60-foot buses will be replaced with new engines. This procurement is required to ensure the current engine replacement program can continue without delays and that revenue service is not impacted.

DISCUSSION

CMF staff has identified a requirement to purchase up to 195 natural gas fueled heavy-duty engines to replace currently installed Cummins ISL G 320 engines during the period FY14 through FY16. The Cummins ISL G 320 engines covered under this procurement will be installed as part of the bus midlife overhaul program.

This Cummins ISL G 320 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 320 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

Award of contract will result in a positive impact on safety. Installing these new engines will ensure that bus are maintained in accordance with Metro Maintenance standards and improve on-road performance and reliability, which will have a beneficial impact on system safety.

FINANCIAL IMPACT

Total base contract value is not-to-exceed \$5,328,138, and the total option contract value is not-to-exceed \$5,290,473. The funding of \$1,918,130 for these engines is included in the FY14 budget in cost center 3366, under project 203020, FY12-FY14 Bus Midlife Program and line item 50441, Parts – Revenue Vehicle. 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 the funds for this procurement is Prop 1B – PTMISEA and TDA Article 4. No other sources of funds were considered for the Cummins ISL G 320 engines because these are the designated funds available for bus midlife overhaul. 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, FY16.

ATTACHMENTS


- A. Procurement Summary
- B. Bid Tabulation

Prepared by: Michael Stange, Executive Director, Maintenance

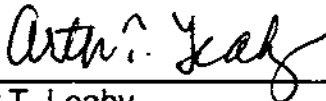
Questions: Michelle Stewart, Assistant Administrative Analyst, Operations
(213) 922-7270



Michelle Lopes Caldwell
Chief Administrative Services Officer



Frank Alejandro
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

NATURAL GAS FUELED ENGINES

1.	Contract Number: 13-0029	
2.	Recommended Vendor: Cummins Cal Pacific, 1939 Deere Ave., 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: 3/21/13	
	B. Advertised/Publicized: 3/26/13	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 4/25/13	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: 8/16/13	
	G. Protest Period End Date: 9/25/13	
5.	Solicitations Picked up/Downloaded: 7	Bids/Proposals Received: 2
6.	Contract Administrator: Otto Ojong	Telephone Number: (213) 922-1454
7.	Project Manager: Dan Quigg	Telephone Number: (213) 922-5895

A. Procurement Background

Procurement of natural gas fueled engines was conducted as a formal sealed bid, competitive acquisition in support of awarding a Master Agreement in order to ensure availability and price stability.

IFB 13-0029 was issued March 21, 2013 and advertised March 26, 2013. Contract type is Firm-Fixed Price (FFP) and no amendments were issued during the solicitation phase of this IFB.

B. Evaluation of Proposals/Bids

A total of two bids were received on April 25, 2013. The firm recommended for award, Cummins Cal Pacific, was found to be in full compliance with the bid requirements.

	Bidder Name	Bid Amount
1.	Cummins Cal Pacific	\$10,618,611
2.	R-T Welding and Fabrication	\$13,279,677

C. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$10,618,611 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

D. Background on Recommended Contractor

Cummins Cal Pacific (CCP) is based in Irvine, California, and has been in business since 1991. CCP is the exclusive distributor for Cummins, Inc. in Southern California. CCP provides certified repairs on Cummins engines and genuine parts for the select Cummins network of dealers in Southern California. CCP also provides natural gas fueled heavy duty engines to many of the original equipment manufacturers in the transit industry including North American Bus Industries. CCP has provided compressed natural gas (CNG) bus engines to other government agencies including Orange County Transportation Authority, San Diego Metropolitan Transit System and North County Transit District. In the past, CCP has provided satisfactory service to Metro.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Small Business Enterprise (SBE) goal for this solicitation. Cummins Cal Pacific did not make a SBE commitment. Meeting the SBE goal is not a condition of award or an issue of responsiveness.

SMALL BUSINESS GOAL	SBE 5%	SMALL BUSINESS COMMITMENT	SBE 0%
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**ATTACHMENT B
BID TABULATION**

Bid No: 130029 Natural Gas Fueled Heavy Duty Engines

Bids Out: 03/21/13 Total 7
 Bids Opened: 04/25/13 Total 2
 Advertisement Date(s): 03/26/13
 Newspaper: LA Daily News

Item No.	Description	QTY	UM	Cummins Cal Pacific		R-T Weiding and Fab	
				Unit Price	Extension	Unit Price	Extension
1	Natural Gas Fueled Heavy Duty Engines	100	EA	\$48,882.00	\$4,888,200.00	\$60,992.00	\$6,099,200.00
Option							
2	Natural Gas Fueled Heavy Duty Engines	95	EA	\$51,091.00	\$4,853,645.00	\$64,042.00	\$6,083,990.00
Subtotal					\$9,741,845.00		\$12,183,190.00
Sales Tax 9%					\$876,766.05		\$1,096,487.10
Total Bid (including taxes and freight)					\$10,618,611.05		\$13,279,677.10

I hereby certify Cummins Cal Pacific as being the lowest responsive, responsible bidder and recommend the award to them for a total price, including sales tax, of \$10,618,611.05.

8/26/13
Date

RA Bachman
Signature