

**Board Report**

File #: 2018-0342, **File Type:** Contract**Agenda Number:** 31.

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
JULY 19, 2018****SUBJECT: TURBOCHARGERS****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two year, indefinite delivery/indefinite quantity Contract No. MA4913000 to Diesel Exhaust & Emissions LLC, the lowest responsive and responsible bidder for bus turbocharger assemblies. The award is for a base year not-to-exceed amount of \$780,918, inclusive of sales tax, and a one year Option for a not-to-exceed amount of \$796,160, inclusive of sales tax, for a total not-to-exceed contract value of \$1,577,078, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of bus turbochargers 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.

DISCUSSION

The turbocharger is a component that compresses air going into the engine to provide extra power and burn a mixture of fuel in the engine cylinders more efficiently. The turbochargers specified under this procurement are either Original Equipment Manufacturer (OEM) approved or have been tested and qualified by Metro to ensure satisfactory performance for all buses operating in transit service.

The contract to be awarded is a "requirements type" agreement in which Metro commits to order from the awardee, an indefinite quantity for a specific duration of time, without obligation or commitment for Metro to order any or all of the turbochargers 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 establish a Small Business Enterprise (SBE) goal for this solicitation due to the lack of subcontracting opportunities. The purchased turbochargers are installed by Metro Mechanics.

Turbochargers will be purchased and maintained in inventory and managed by Material Management. As turbochargers 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 have an adequate inventory to maintain the equipment according to Metro Maintenance standards.

FINANCIAL IMPACT

The funding of \$650,765 for these products is included in the FY19 budget under multiple bus operating cost centers in project 306002 Operations Maintenance under Line 50441, Parts - Revenue Vehicle.

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

Impact to Budget

The current source of funds for this action are Federal, State, and Local funds including sales tax and fares. These funding sources maximize allowable fund use given approved funding provisions and guidelines.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and procure turbochargers 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

Upon Board approval, staff will execute Contract No. MA4913000 to Diesel Exhaust & Emissions for Turbocharger Assemblies. Metro's requirements for turbochargers will be fulfilled under the provisions of the contract.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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James T. Gallagher, Chief Operations Officer (213) 418-3108



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

TURBOCHARGER ASSEMBLIES / MA4913000

1.	Contract Number: MA4913000	
2.	Recommended Vendor: Diesel Exhaust & Emissions	
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: 4/10/18	
	B. Advertised/Publicized: 4/10/18	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 5/17/18	
	E. Pre-Qualification Completed: 5/22/18	
	F. Conflict of Interest Form Submitted to Ethics: 5/22/18	
	G. Protest Period End Date: 7/20/18	
5.	Solicitations Picked up/Downloaded: 9	Bids/Proposals Received: 4
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. MA4913000 issued in support of the procurement of Bus Turbocharger Assemblies. Board approval of contract award is subject to resolution of any properly submitted protest.

IFB No. MA49130 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 four bids were received on May 17, 2018.

B. Evaluation of Bids

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

1. Cummins Inc.
2. Diesel Exhaust & Emissions, LLC
3. Performance Turbochargers, LLC
4. The Aftermarket Parts Company, LLC (New Flyer)

All firms were determined to be in full compliance with the bid and technical requirements. Each bidder was deemed responsive and responsible to the IFB requirements.

C. Price Analysis

The recommended bid price from Diesel Exhaust & Emissions has been determined to be fair and reasonable based upon adequate price competition and the selection of the lowest responsive and responsible bidder.

Bidder Name	Bid Amount	Metro ICE
Diesel Exhaust & Emissions	\$1,577,077.78	\$1,498,960.00
Performance Turbochargers, LLC	\$1,615,782.04	
Cummins Inc.	\$1,888,148.49	
The Aftermarket parts Company, LLC (New Flyer)	\$2,253,745.07	

D. Background on Recommended Contractor

The recommended firm, Diesel Exhaust & Emissions, has been in business for 50 years, and is a leader in turbochargers, bus component parts and other related parts. Diesel Exhaust & Emissions has provided turbocharger assemblies for Orange County Transit Authority, Riverside Transit Authority and Foothill Transit. In the past, Diesel Exhaust & Emissions has provided satisfactory products and services to Metro.

DEOD SUMMARY

TURBOCHARGER ASSEMBLIES / MA4913000

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 the lack of subcontracting opportunities. Diesel Exhaust and Emissions is a Cummins authorized reseller of the turbocharger assemblies and are Original Equipment Manufacturer (OEM) parts shipped directly to Metro. The Metro project manager confirmed that the installation will be performed by Metro.

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 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.