Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2020-0840, **File Type:** Contract **Agenda Number:** 18.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 18, 2021

SUBJECT: TURBOCHARGERS

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, indefinite delivery/indefinite quantity Contract No. MA72029-2000 to Cummins Inc., the lowest responsive and responsible bidder for Turbocharger Assemblies. The Contract one-year base amount is for $583,353 inclusive of sales tax, and the one-year option amount is $594,670, inclusive of sales tax, for a total contract amount of $1,178.023, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of 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.

BACKGROUND

Metro's current bus fleet is primarily powered by Cummins natural gas engines that are equipped to turbochargers to meet performance and emissions requirements. The turbochargers are a critical part of the engine operation. Turbocharger problems can significantly impact engine performance. Turbochargers are replaced at the Central Maintenance Shops and bus operating divisions in response to performance problems or engine failures.

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 we commit to order only from the awardee, up to a specified quantity for a specific duration of time, but there is no obligation or commitment to order 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) recommended a two percent (2%) DBE goal for this solicitation. 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 result in a positive impact on safety by ensuring bus operating divisions have an adequate inventory of parts to maintain the bus fleet according to engine manufacturer and Metro Maintenance standards. Ensuring an adequate supply of critical parts ensures the performance and reliability of the bus fleet which will have a beneficial impact on system safety.

FINANCIAL IMPACT

The funding of $583,353 for these products is included in the FY21 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 source of funds for this action is Federal, State, and Local funds including Fares. Allocation of these funds to this effort maximizes their intended use given approved funding guidelines and provisions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The procurement of turbochargers for the Cummins natural gas engines supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The installation of turbochargers 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 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

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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Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

TURBOCHARGER ASSEMBLY

CONTRACT NO. MA72029-2000

1.	**Contract Number**: MA72029-2000	
2.	**Recommended Vendor**: Cummins Inc., 1939 Deere Avenue, Irvine, CA 92606	
3.	**Type of Procurement (check one):** ☒ **IFB** ☐ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: 10/21/20	
	B. Advertised/Publicized: 9/18/20	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 11/17/20	
	E. Pre-Qualification Completed: 11/23/20	
	F. Conflict of Interest Form Submitted to Ethics: 11/18/20	
	G. Protest Period End Date: 1/22/21	
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. MA72029-2000 for the procurement of Turbocharger Assembly. Board approval of contract awards are subject to resolution of any properly submitted protest.

An Invitation of Bid (IFB) No. MA72029-2 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 four (4) bids were received on November 17, 2020:

1. Cummins Inc.
2. Diesel Exhaust & Emission LLC
3. DLR Distributors, Inc.
4. The Aftermarket Parts Co.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with LACMTA's Acquisition Policy for a competitive sealed bid. All four 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), a price savings of $10,483.00 from historical purchases, and selection of the lowest responsive and responsible bidder.

Low Bidder Name	Bid Amount	Metro ICE
Cummins Inc.	$1,178,023.12	$1,187,481.00
Diesel Exhaust & Emission LLC	$1,220,096.09	
DLR Distributors, Inc.	$1,246,917.67	
The Aftermarket Parts Co. LLC	$1,881,952.41	

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

TURBOCHARGER ASSEMBLY/CONTRACT NO. MA72029-2000

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) solicitation. Cummins, Inc. made a 2% DBE commitment.

Small Business Goal	2% DBE	Small Business Commitment	2% DBE

	DBE Subcontractors	Ethnicity	% Committed
1.	Say Cargo Express	Hispanic American	2%
		Total Commitment	**2%**

B. Living 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 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.