

## PROCUREMENT SUMMARY

## NEAR ZERO NATURAL GAS FUELED ENGINES / MA39865000

1.	<b>Contract Number:</b> MA39865000		
2.	<b>Contractor:</b> Cummins Pacific LLC		
3.	<b>Mod. Work Description:</b> Exercise Options 1 and 2 for Purchase of Near Zero Emissions Natural Gas Fueled Bus Engines as specified in Contract		
4.	<b>Contract Work Description:</b> Purchase of Near-Zero Emissions Natural Gas Fueled Bus Engines		
5.	<b>The following data is current as of:</b> May 10, 2018		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	August 14, 2017	<b>Contract Award Amount:</b> \$8,160,522
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> \$0
	<b>Original Complete Date:</b>	August 13, 2020	<b>Pending Modifications (including this action):</b> \$18,361,292
	<b>Current Est. Complete Date:</b>	January 29, 2021	<b>Current Contract Value (with this action):</b> \$26,521,814
7.	<b>Contract Administrator:</b> Edmund Gonzales		<b>Telephone Number:</b> (213) 418-3073
8.	<b>Project Manager:</b> Amy Romero		<b>Telephone Number:</b> (213) 922-5709

**A. Procurement Background**

This Board Action is to approve Contract Modifications No. 1 and 2 issued in support of Metro's Natural Gas Fueled Near Zero Emissions Bus Engines Program.

Modification No. 1 exercises the first Contract Option to purchase 168 additional bus engines for use in Metro's bus fleet for maintenance and operations. Modification No. 2 exercises the second Contract Option to purchase 102 additional bus engines.

These Contract Modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is an Indefinite Delivery/Indefinite Quantity with fixed unit prices.

On August 14, 2017, Metro awarded a three-year contract, inclusive of two, one-year options to Cummins Pacific LLC to provide Near-Zero Emissions Natural Gas Fueled Bus Engines in the total amount of \$26,521,814.

(Refer to Attachment B – Contract Modification/Change Order Log)

**B. Cost/Price Analysis**

Contract No. MA39865000 award was a result of an open competition Invitation for Bid, including formal advertising, a pre-bid conference, attempts to reach out to other vendors, and market research. Because only one bid was received, a price analysis was conducted comparing the bid prices to comparable prices paid by other Southern California transit agencies. The contract award included option years pricing, which was determined to be fair and reasonable.

According to the California Consumer Price Index Cost Index, consumers of goods and services experienced an average 3.5% price increase between 2017 and 2018. The Option 1 and 2 bus engine prices include a 3% increase, which is less than the CPI increase. Further, a market survey and price analysis comparison with other agencies, for similar engines, demonstrates that Metro is paying less than the other agencies. The prices for the contract Options remain unchanged from the Negotiated Amounts and, therefore, are considered fair and reasonable based on market survey and price analysis.

<b>Option No.</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
<b>1</b>	\$11,296,774	\$12,099,785	\$11,296,774
<b>2</b>	\$7,064,518	\$8,221,750	\$7,064,518