

**Board Report**

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**File #:** 2018-0723, **File Type:** Contract**Agenda Number:** 21.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
JANUARY 17, 2019****SUBJECT: THREE-WAY MUFFLER CATALYSTS****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two year, Indefinite Delivery, Indefinite Quantity Contract No. MA56400000 to Cummins Incorporated, the lowest responsive and responsible bidder for Three-Way Muffler Catalysts. The award is for a Base year not-to-exceed of \$607,663 inclusive of sales tax, and a one year Option for a not-to-exceed amount of \$622,855, inclusive of sales tax for a total not-to-exceed contract value of \$1,230,518, subject to resolution of protest(s), if any.

**ISSUE**

This procurement is for the acquisition of new three-way muffler catalysts, which are required for maintaining a safe and reliable bus fleet operation. 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 on an annual basis approximately 125 three-way muffler catalysts were issued to Bus Maintenance to replace failed components and to support replacement during engine rebuild programs. The three-way muffler catalysts are installed by Metro Mechanics at the Central Maintenance Shops and at all bus operating divisions. Buses cannot operate without properly functioning three-way muffler catalysts.

**DISCUSSION**

A three-way muffler catalyst is a simple, passive device that reduces exhaust noise and three harmful emissions from the buses: hydrocarbons (HC), carbon monoxide (CO) and nitrogen oxide (NOx). Problems with the three-way muffler catalyst can quickly lead to engine performance issues. The three-way muffler catalysts support over 90% of our bus fleet which have Cummins 8.9 ISLG engines and Cummins 8.9 ISLG Near-Zero engines.

The contract to be awarded is a “requirements type” agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation

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or commitment for us to order any or all of the three-way muffler catalyts 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 recommended contractor has proposed to meet or exceed the established goal. The purchased three-way muffler catalyts are installed by Metro Mechanics.

Three-way muffler catalyts will be purchased and maintained in inventory and managed by Material Management. As three-way muffler catalyts 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**

Funding in the amount of \$607,663 for these three-way muffler catalyts is included in the FY19 budget under account 50441, Parts - Revenue Vehicle in multiple bus operating cost centers under project 306002 Operations Maintenance, and in the Central Maintenance cost center 3366 under 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.

#### **Impact to Budget**

The source of funds will come from Federal and local TDA 4 funds that are eligible for Bus capital projects. Use of these funding sources maximizes established funding provisions and guidelines.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The procurement of three-way muffler catalyts supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new three-way muffler catalyts 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 three-way muffler catalyts 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 three-way muffler catalysts will be fulfilled under the provisions of the contract.

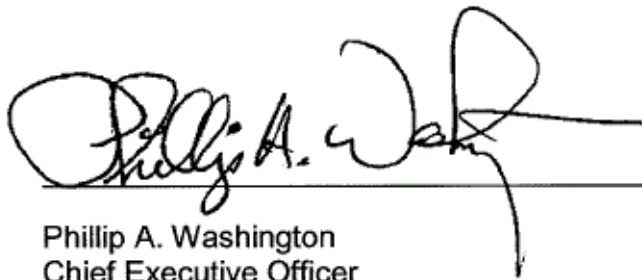
**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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