



Board Report

File #: 2023-0350, File Type: Contract

Agenda Number: 25.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JULY 20, 2023

SUBJECT: BUS ENGINE IGNITION COILS

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery/ Indefinite Quantity (IDIQ) Contract No. MA102753000 to Cummins, Inc. the responsive and responsible bidder for ignition coils. The contract one-year base amount is \$2,521,828.80 inclusive of sales tax, and the one-year option amount is \$2,585,163.60, inclusive of sales tax, for a total contract amount of \$5,106,992.40, subject to resolution of any properly submitted protest(s), if any.

ISSUE

This procurement is for the acquisition of ignition coils which are required for maintaining the safe and reliable operation of the bus fleet. They are used by the bus maintenance department while repairing the Cummins Compressed Natural Gas (CNG) engines in Metro buses.

Award of this contract will ensure operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards to ensure service continuity and avoid any interruption to Metro operations.

BACKGROUND

Metro Bus Maintenance performs regularly scheduled work on all buses as part of their Preventative Maintenance Program (PMP). The replacement of the ignition coils in the engine is part of the PMP. Ignition coils can fail due to the advanced mileage and heavy-duty service provided by the Metro bus fleet. A failed ignition coil will result in the bus being taken out of service due to poor performance or visible exhaust emissions. The proper functioning of the ignition coil ensures that the CNG engine remains operational, which is essential to ensuring the performance, reliability, and safety of the Metro bus fleet.

DISCUSSION

Ignition coils are an electronic engine management component that are part of the bus ignition system. The ignition coil is the component responsible for generating the engine spark, and any

problems with the ignition coil can quickly lead to engine performance issues. The engine ignition coils support 97% of our bus fleet, which have Cummins 8.9 ISLG and L9N Near-Zero engines installed. The ignition coil is an Original Equipment Manufacturer (OEM) part delivered directly from the engine manufacturer, Cummins, due to historical problems encountered with aftermarket ignition parts, including increased road calls that have impacted service reliability.

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 or commitment for us to order any or all of the ignition coils that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The purchased engine ignition coils are installed by Metro Mechanics.

Bus engine ignition coils will be purchased and maintained in inventory and managed by Material Management. As ignition coils 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. This action will prevent deferred maintenance and ensure bus availability for revenue service.

FINANCIAL IMPACT

Funding in the amount of \$2,521,829 for these ignition coils is included in the FY24 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 current source of funding for this action are Federal, State, and Local, including sales tax and fares. These sources are eligible for Bus Operating or Capital projects. Using these funding sources maximizes the project funding allocations allowed by approved provisions and guidelines.

EQUITY PLATFORM

The benefits of this action are to ensure the bus fleet that serves most regions in Los Angeles County, including Equity Focus Communities, can provide vital transportation services. Bus transportation provides an important lifeline for the residents in underserved communities, and the Metro bus maintenance programs ensure the proper State of Good Repair of the bus fleet.

The Diversity and Economic Opportunity Department (DEOD) established a two percent (2%) goal

and verified the commitment by the successful bidder for this procurement.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Purchase of the ignition coils supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The procurement of ignition coils for inventory will help to ensure the reliability of the bus fleet and enable our customers to arrive at their destinations on schedule and without interruption.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and procure the ignition coils on an as-needed basis, using the traditional “min/max” replenishment method. 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 the parts.

NEXT STEPS

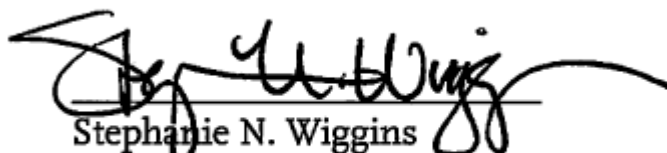
Upon approval by the Board, staff will execute Contract No. MA102753000 for the procurement of ignition coils with Cummins Inc. at the Board approved amounts.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B DEOD Summary

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