



## Board Report

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File #: 2020-0472, File Type: Contract

Agenda Number: 17.

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 17, 2020

**SUBJECT: SPARK PLUGS**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, indefinite delivery/indefinite quantity Contract No. MA69672000 to Cummins Incorporated, the lowest responsive and responsible bidder for spark plugs for Metro's bus engines. The Contract one-year base amount is \$909,973 inclusive of sales tax, and the one-year option amount is \$939,154, inclusive of sales tax, for a total contract amount of \$1,849,127, subject to resolution of protest(s), if any.

#### **ISSUE**

This procurement is for the acquisition of spark plugs which are required to maintain the safe and reliable operation of the Cummins natural gas engines in the current bus fleet. Award of this contract will ensure that Bus Maintenance has adequate inventory to repair and maintain the buses according to Metro maintenance standards.

#### **BACKGROUND**

Natural gas vehicle engines use an ignition system, including spark plugs and coils, to ignite a fuel/oxygen mixture. The spark plugs in the ignition system are a critical part of the engine operation. Ignition problems can significantly impact engine performance. Engine manufacturers identify specific mileage intervals for spark plug replacement to avoid performance problems and unnecessary engine failures that could result in increased maintenance costs.

#### **DISCUSSION**

Spark plugs are an electrical ignition device that fits into the cylinder head of a natural gas engine and ignites the air-fuel mixture needed for combustion to power the engine. In accordance with manufacturer's recommendations, spark plugs are required to be changed at pre-determined intervals based on mileage. Replacement of the spark plugs are essential for the proper maintenance of Metro's bus fleet and ensures that bus engines run efficiently, and as designed. The spark plugs are required for installation on the entire natural gas bus fleet which have Cummins 8.9 ISLG and

L9N Near-Zero engines installed.

The contract to be awarded is a “requirements type” agreement in which Metro commits to order spark plugs up to the specified quantity for a specific duration of time, but there is no obligation or commitment for Metro to order all of the spark plugs 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.

Spark Plugs will be purchased, maintained in inventory and managed by Material Management. As spark plugs 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 preventive maintenance requirements 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**

Subject to Board approval of the FY21 budget, funding of \$909,973 for these parts is included 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 including any option exercised.

#### **Impact to Budget**

The current sources of funds for this project are Federal, State and Local sources including fares. Using these funding sources maximizes the allowable project funding designations given approved provisions and guidelines.

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

The procurement of spark plugs 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 spark plugs at recommended mileages 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**

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The alternative is to not award the contract and procure spark plugs 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 spark plugs will be fulfilled under the provisions of the contract.

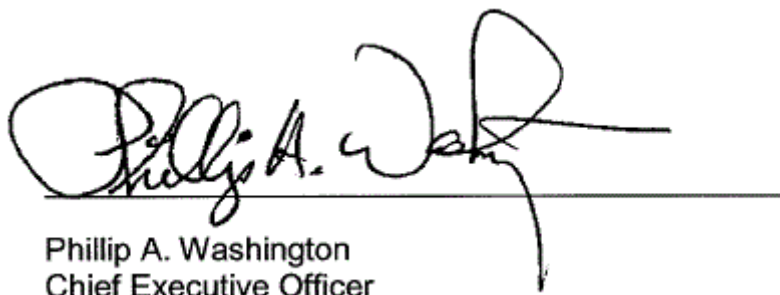
**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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