

**Board Report**

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**File #:** 2020-0843, **File Type:** Contract**Agenda Number:** 19.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
FEBRUARY 18, 2021****SUBJECT: EXHAUST GAS RECIRCULATION COOLER KITS****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, indefinite delivery/indefinite quantity Contract No. MA71916-2000 to Cummins Inc., the lowest responsive and responsible bidder for Exhaust Gas Recirculation (EGR) Cooler Kits. The Contract one-year base amount is for \$549,195 inclusive of sales tax, and the one-year option amount is \$562,929, inclusive of sales tax, for a total contract amount of \$1,112,124 subject to resolution of protest(s), if any.

**ISSUE**

This procurement is for the acquisition of EGR cooler kits which are required for maintaining the safe and reliable operation of the bus fleet. Award of this contract will ensure that Metro's 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 with exhaust gas recirculation systems to route exhaust gas back into the engine combustion chamber to control exhaust emissions. Exhaust gas recirculation systems are a critical component of the engine emissions control systems. Exhaust gas recirculation system problems can significantly impact engine emissions levels and performance. The EGR cooler kits contain the components to repair the exhaust gas recirculation systems. The EGR cooler kits are installed at bus operating divisions in response to engine performance problems.

**DISCUSSION**

The EGR system is responsible for re-circulating metered exhaust gases back into the combustion chamber, which lowers the combustion chamber temperature by introducing inert gas. Nitric Oxide (NOx) emissions are formed when engine chamber temperatures rise above 2500°F and maintaining the engine combustion chamber at more controlled temperatures reduces NOx emissions. The EGR cooler circulates engine coolant through the EGR system as a heat exchange medium and cools the exhaust gas before being recirculated into the engine intake manifold to reduce combustion chamber

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temperature. The EGR cooler kits specified in 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 the specified quantity for a specific duration of time, but there is no obligation or commitment to order all of the EGR cooler kits 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 EGR cooler kits are installed by Metro Mechanics.

EGR cooler kits will be purchased and maintained in inventory and managed by Material Management. As EGR cooler kits 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 \$549,195 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 current source of funds for this action are federal, state, and local sales tax 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 EGR cooler kits 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 EGR cooler kits 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 EGR cooler kits 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 EGR cooler kits will be fulfilled under the provisions of the contract.

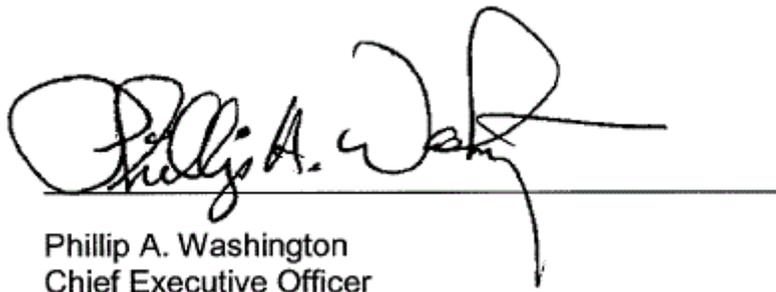
**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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