

**Board Report**

File #: 2021-0037, **File Type:** Contract**Agenda Number:** 22.

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 15, 2021****SUBJECT: BUS ENGINE IGNITION COILS****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, firm fixed price Contract No. MA73430000 to Cummins Inc., the lowest responsive and responsible bidder for Ignition Coils. The Contract one-year base amount is \$1,134,734 inclusive of sales tax, and the one-year option amount is \$1,163,087, inclusive of sales tax, for a total contract amount of \$2,297,821, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of new bus engine ignition coils which are required for maintaining the safe and reliable operation of the bus fleet. 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 over 6,000 engine ignition coils were issued to Bus Maintenance to replace failed components and to support replacement during engine rebuild programs. The engine ignition coils are installed by Metro Mechanics at the Central Maintenance Shops and at all bus operating divisions. Buses cannot operate without properly functioning engine ignition coils.

DISCUSSION

Ignition coils are an electronic engine management component that are a 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 100% 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 direct 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 Diversity and Economic Opportunity Department (DEOD) established a two percent (2%) DBE goal for this solicitation. 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.

FINANCIAL IMPACT

Funding in the amount of \$1,134,734 for these ignition coils is included in the FY21 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 funds that are eligible for Bus and Rail Operating Projects. Using these funding sources maximizes the allowable project funding designations given approved provisions and guidelines.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The procurement of ignition coils supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new ignition coils 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 engine ignition coils 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 bus engine ignition coils will be fulfilled under the provisions of the contract.

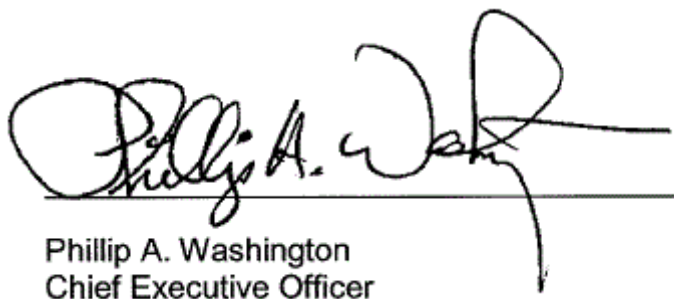
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared By: James D. Pachan, Superintendent of Maintenance, (213) 922-5804

Reviewed by: Debra Avila, Chief Vendor/Contract Management (213) 922-6383
James T. Gallagher, Chief Operations Officer (213) 418-3108



Phillip A. Washington
Chief Executive Officer