

**Board Report**

---

**File #:** 2015-1314, **File Type:** Contract**Agenda Number:** 39.

---

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 21, 2016****SUBJECT: NATURAL GAS FUELED ENGINES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a 24 month, firm fixed price **contract under Bid Number SD17491 to Cummins Pacific the lowest responsive and responsible bidder for the procurement of 289 Natural Gas Fueled Heavy Duty Engines** for an amount not to exceed \$13,211,635.

**ISSUE**

As part of the Central Maintenance Facility (CMF) Bus Midlife/Engine replacement program, the existing Cummins ISL G 280 engines currently installed in our NABI 8100 series 45-foot buses will be replaced with new engines. This procurement is required to ensure the current engine replacement program continuation without delays and with no impact on revenue service.

**DISCUSSION**

CMF staff has identified a requirement to purchase up to 289 natural gas fueled heavy duty engines to replace currently installed Cummins ISL G 280 engines during the period FY16 through FY18. The Cummins ISL G 280 engines covered under this procurement will be installed as part of the bus midlife overhaul program.

This Cummins ISL G 280 engine is certified for 2012 and compliant to Federal Environmental Protection Agency (EPA) urban bus emission levels and California Air Resources Board (CARB) low Nitrogen Oxides for year 2012. The Cummins ISL G 280 natural gas fueled heavy-duty engines are warranted to be free from defects in design and materials for two-years with unlimited mileage with full parts and labor on all warrantable failures.

**DETERMINATION OF SAFETY IMPACT**

The award of this contract will result in a positive impact on safety. Installation of these new engines will ensure that buses are maintained in accordance with Metro Maintenance standards and improve on-road performance and reliability, with beneficial impact on system safety.

## **FINANCIAL IMPACT**

Total base contract value is not-to-exceed \$ 13,211,635.00. The funding of \$1,828,600 for these engines is included in the FY16 budget in cost center 3366, under project 203036, Bus Midlife Program and line item 50441, Parts- Revenue Vehicle. Since this is a multi-year contract, the project manager, cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years, including any option exercised.

### **Impact to Budget**

The source of the funds for this procurement is Transportation Development Act (TDA) funds. No other sources of funds were considered for the Cummins ISL G 280 engines because these are the designated funds available for this effort. By proceeding with the purchase of these engines, operating costs will remain neutral.

## **ALTERNATIVES CONSIDERED**

The alternative is not to award this master agreement contract and procure natural gas fueled heavy-duty engines on an as-needed basis, using the traditional "min/max" replenishment system method. The "min/max" replenishment system method calculates minimum and maximum inventory levels. 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 natural gas fueled heavy-duty engines.

## **NEXT STEPS**

Refurbishment of the NABI bus fleet will continue in accordance with Operations Support Services bus mid-life program and engine replacement program. The engine replacement of this NABI bus series is scheduled to be completed by the end of the third quarter, FY18.

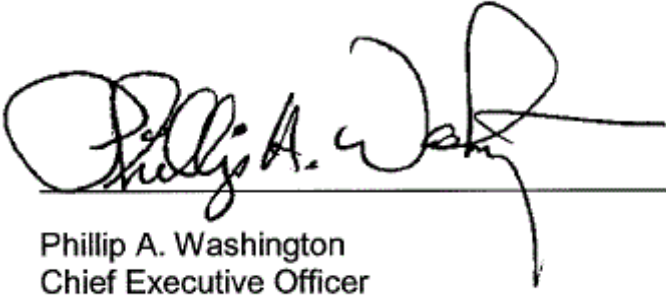
## **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Amy Romero, Director of CMS, (213) 922-5709  
Christopher Reyes, Transportation Planning Manager III, (213) 922-4808

Reviewed by: Ivan Page, Interim Executive Director, Vendor/Contract Management  
James T. Gallagher, Chief Operations Officer



Phillip A. Washington  
Chief Executive Officer