



Board Report

File #: 2018-0074, File Type: Contract

Agenda Number: 22.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE APRIL 12, 2018

SUBJECT: DENSO SPARK PLUGS SUPPLIER

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, firm fixed price Contract No. MA48271000 to Romaine Electric Corporation, the lowest responsive and responsible bidder for Spark Plugs (Denso). The Contract one-year base amount is \$701,158.68, inclusive of sales tax, and the one-year option amount is \$701,158.68, inclusive of sales tax, for a total contract amount of \$1,402,317.36, subject to resolution of protest(s), if any.

ISSUE

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

DISCUSSION

Spark plugs are an electrical ignition device that fits into the cylinder head of a CNG 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 is essential for the proper maintenance of Metro's bus fleet and to ensure that buses run as efficiently as designed.

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 spark plugs that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

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 ensure that all operating divisions have adequate inventory to maintain the bus and rail fleets and equipment according to Metro Maintenance standards.

FINANCIAL IMPACT

The funding of \$116,859 for these products is included in the FY18 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 including any option exercised.

Impact to Budget

The funds for this action will come from various sources including Fares, Advertising, Operating eligible sales tax; such as PA, PC, MR/MM, TDA, and Federal. That are eligible for use on Bus Operating projects. Use of these funding sources will maximize allowable funding allocations give approved provisions.

ALTERNATIVES CONSIDERED

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.

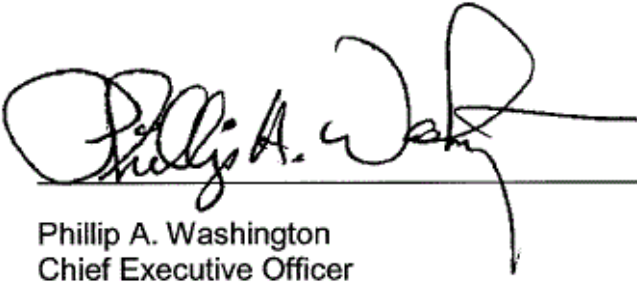
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Chief Executive Officer