



Board Report

File #: 2018-0342, File Type: Contract

Agenda Number: 31.

OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE JULY 19, 2018

SUBJECT: TURBOCHARGERS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two year, indefinite delivery/indefinite quantity Contract No. MA4913000 to Diesel Exhaust & Emissions LLC, the lowest responsive and responsible bidder for bus turbocharger assemblies. The award is for a base year not-to-exceed amount of \$780,918, inclusive of sales tax, and a one year Option for a not-to-exceed amount of \$796,160, inclusive of sales tax, for a total not-to-exceed contract value of \$1,577,078, subject to resolution of protest(s), if any.

ISSUE

This procurement is for the acquisition of bus turbochargers 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.

DISCUSSION

The turbocharger is a component that compresses air going into the engine to provide extra power and burn a mixture of fuel in the engine cylinders more efficiently. The turbochargers specified under 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 Metro commits to order from the awardee, an indefinite quantity for a specific duration of time, without obligation or commitment for Metro to order any or all of the turbochargers 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) did not establish a Small Business Enterprise (SBE) goal for this solicitation due to the lack of subcontracting opportunities. The purchased turbochargers are installed by Metro Mechanics.

Turbochargers will be purchased and maintained in inventory and managed by Material Management. As turbochargers 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 an adequate inventory to maintain the equipment according to Metro Maintenance standards.

FINANCIAL IMPACT

The funding of \$650,765 for these products is included in the FY19 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 funds including sales tax and fares. These funding sources maximize allowable fund use given approved funding provisions and guidelines.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and procure turbochargers 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

Upon Board approval, staff will execute Contract No. MA4913000 to Diesel Exhaust & Emissions for Turbocharger Assemblies. Metro's requirements for turbochargers will be fulfilled under the provisions of the contract.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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