

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-87

**Contract with Cummins Northwest, Inc. for
Supply and Installation of Diesel Particulate Filters on Sound Transit Diesel Buses**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	8/21/03	Discussion/Possible Action	Agnes Govern, Director, Regional Express Mike Bergman, Program Manager, Regional Express Bus Frederick Chun, Project Manager, Regional Express Bus	(206) 398-5037 (206) 398-5358 (206) 398-5044

Contract/Agreement Type:	3	Requested Action:	3
Competitive Procurement	3	Execute New Contract/Agreement	3
Sole Source		Amend Existing Contract/Agreement	
Interlocal Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

³Applicable to proposed transaction.

OBJECTIVE OF ACTION

To execute a contract with Cummins Northwest, Inc. (CNI) to retrofit Sound Transit diesel buses with diesel particulate filters to reduce exhaust emission levels.

ACTION

Authorizes the Chief Executive Officer to execute a contract with Cummins Northwest, Inc. for the supply and installation of diesel particulate filters on Sound Transit buses in an amount not to exceed \$888,619, with a contract term beginning September 1, 2003, and ending December 31, 2006.

KEY FEATURES

- Application of the diesel particulate filters in conjunction with use of the Ultra-Low Sulfur Diesel (ULSD) fuel can achieve significant reduction of diesel engine pollution by 70% on harmful elements: hydrocarbon, carbon monoxide, and 90% of particulate matters.
- Supply and installation of diesel particulate filters on 114 Sound Transit diesel buses including associated labor, mounting the necessary hardware, and managing the bus pick up and delivery from Sound Transit's transit partners.
- Provision of maintenance training to partner transit technicians and providing warranty repairs for three years or 150,000 miles.
- Provision of on-board diagnostic modules.
- The average cost for parts, material, and installation is \$7,800 per bus.
- King County Metro started the installation of diesel particulate filters on their diesel buses in 2002 and Community Transit plans to piggyback on the Sound Transit contract.

- Installation of particulate filters with the use of ULSD meet the 2006 low sulfur fuel requirement and the 2007 emission requirement.
- CNI's proposal was evaluated and recommended from one of two proposals to the request for proposal issued in March. The other proposal was disqualified for not meeting the Buy-America requirement.

BUDGET IMPACT SUMMARY

Action Outside of Adopted Budget:	Y/N	Y	Requires Comment
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
Key Financial Indicators:	Y/N	Y	Requires Comment
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

Budget for the contract with CNI is included in the Operations and Maintenance budget and in the Regional Bus Program transit operations subarea budgets. The program has sufficient budget in the Adopted 2003 Budget to cover the 2003 portion of this contract. Budgets related to the contract years 2004 through 2006 will be set aside in the program budget during those respective year's budgeting cycles.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity.

The following table represents the available budget as it relates to expenditures and the impact of this action.

SUMMARY FOR BOARD ACTION

Summary for Board Action (Year of Expenditure \$000s)

Action Item: contract with Cummins Northwest Inc. (CNI) for supply and installation of Diesel Particulate Filters on Sound Transit diesel transit buses.

2003 Transit Operations Budget Detail	2003 Budget	2003 Spent to Date	Proposed Action for 2003	2003 Surplus (Shortfall)
Equipment Maintenance	509	-	360	149
Other Transit Operations	57,034	20,800	-	36,234
Total	57,542	20,800	360	36,382

Equipment Maintenance Detail	2003 Budget	2003 Spent to Date	Proposed Action for 2003	2003 Surplus (Shortfall)
Cummins Northwest Inc.	422	-	360	62
Other Equipment Maintenance	87	-	-	87
Total Account	509	-	360	149

Contract Detail	Proposed Action for 2003	Proposed Action for Future Years ('04-'06)	Total Proposed Action
Cummins Northwest Inc.	360	529	889
Contingency	-	-	-
Total contract	360	529	889
Percent Contingency	0%	0%	0%

All figures shown are in year-of-expenditure (YOE\$) dollars in thousands.

M/W/DBE – SMALL BUSINESS PARTICIPATION

CNI will not use subcontractors for this project as all work will be performed by its employees. In lieu of the M/W/DBE element, the Sound Transit Diversity Program Office accepts EEO profile of CNI for this contract. Fourteen percent of CNI's employees are women and minorities.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
R2002-17	2003 Budget adoption - the agency's operating and transit operations expenditures and capital outlays for the year 2003.	12/12/02
R99-30	Operations and maintenance of ST Express bus service with King County Metro.	8/26/99
R99-12	Operations and maintenance of ST Express bus service with Community and Pierce Transit.	4/22/99
M98-3	Approval of the bus procurement strategies that included the purchase of emission friendly buses.	2/12/98
R81	Sound Transit Board members, officers and employees to devote their best efforts and attention to managing human and environmental resources for the benefit and enjoyment of both current and future generations.	2/27/97

Particulate emission from diesel engines is one of the more harmful pollutants in urban areas. As a result, over the past several years, both engine manufacturers and transit agencies throughout the country have been testing and evaluating the effects of using particulate filters to reduce particulate emissions from bus diesel engines. Results indicate that using ULSD in conjunction with particulate filters has produced nearly a 90% reduction of particulate emissions and a 70% reduction in the levels of hydrocarbon and carbon monoxide.

King County Metro began testing ULSD and particulate filters in 2001 and began regular use in 2002 in 369 buses. Community Transit has also begun use of ULSD this year and plans to piggyback on Sound Transit's contract for the retrofit of its diesel buses. This contract also includes retrofitting Sound Transit diesel buses operated by Pierce Transit. All new diesel or diesel-electric hybrid buses Sound Transit purchases in the future will come equipped with particulate filters installed at the factory.

CONSEQUENCES OF DELAY

Postponing this action may result in increased costs to reflect the inflation or cancellation of the proposal.

REGIONAL PARTNERSHIP AND COOPERATION

Transit partners' maintenance managers and a Puget Sound Clean Air Agency staff provided the specifications review and participated on the proposal review and the selection committee. Community Transit plans to piggyback on Sound Transit's contract.

PUBLIC INVOLVEMENT

Not applicable to this action

LEGAL REVIEW

MB 7/30/2003

SOUND TRANSIT

MOTION NO. M2003-87

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract with Cummins Northwest, Inc. for the supply and installation of diesel particulate filters on Sound Transit buses in an amount not to exceed \$888,619, with a contract term beginning September 1, 2003, and ending December 31, 2006.

Background:

This motion is to establish a contract with Cummins Northwest, Inc. for the supply and installation of diesel particulate filters on Sound Transit diesel buses currently operating in ST Express services. Over the past several years, both engine manufacturers and transit agencies throughout the country, including King County Metro, have been testing the effects of using particulate filters to reduce particulate emissions from bus diesel engines. Results indicate particulate filters have reduced levels of particulate emissions, hydrocarbon, and carbon monoxide.

King County Metro has already installed over 200 filters on its diesel buses and Community Transit plans to piggyback on Sound Transit's contract to retrofit its diesel buses.

Through a competitive procurement process, the Cummins Northwest, Inc.'s proposal was recommended after review and evaluation and by the selection committee comprised of a project manager from Sound Transit, the partner transit agencies vehicle maintenance managers, and a representative from Puget Sound Clean Air Agency.

Motion:

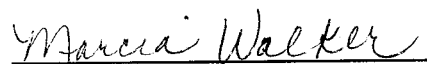
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority to authorize the Chief Executive Officer to execute a contract with Cummins Northwest, Inc. for the supply and installation of diesel particulate filters on Sound Transit diesel buses in an amount not to exceed \$888,619, with a contract term beginning September 1, 2003, and ending December 31, 2006.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 21, 2003.



Kevin Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator