

ITEM#: 23
DATE: 12-14-21

COUNCIL ACTION FORM

SUBJECT: CYRIDE RECONDITIONED REPLACEMENT ENGINE AWARD OF CONTRACT

BACKGROUND:

CyRide purchased fifteen 40' heavy-duty buses in 2010 equipped with Cummins ISL engines. These vehicles are now 11 years old with an average mileage of over 270,000 miles. The engines in buses 419, 420, 421, and 422 are experiencing excessive crankcase pressure due to cylinder wear and these buses have been removed from regular daily service. After evaluating repair options maintenance personnel have determined these engines need to be replaced and that purchasing reconditioned engines will provide the best value for CyRide. Reconditioned engines are remanufactured by the original equipment manufacturer and provide a like-new engine with a two-year warranty. CyRide's mechanics would provide the labor to install the reconditioned engines.

On November 24, 2021, CyRide staff, in coordination with the Purchasing Department, issued a request for quotation (RFQ) No. 2022-065. Bids were due on December 3, 2021. The RFQ required respondents to provide the cost of the base engine, shipping, and "core costs" that will be returned to CyRide when the used engine is returned to the successful bidder. CyRide received three bids in response to the RFQ. After evaluating responses, MHC Kenworth of Des Moines, Iowa was identified as the lowest bidder. The bids received are summarized in the table below, with a complete bid tabulation attached to the board packet.

Bidder	Reconditioned Engine Cost	Engine Core Cost	Shipping Cost	Total Bid Cost
Cummins Inc.	\$ 122,046.04	\$ 22,500.00	\$ 0.00	\$ 144,546.04
MHC Kenworth	\$ 108,643.64	\$ 20,700.04	\$ 0.00	\$ 129,343.68
O'Halloran International	\$ 112,256.48	\$ 26,910.00	\$ 0.00	\$ 139,166.48

CyRide currently has budgeted four reconditioned engines within the annual parts budget. Staff has evaluated the parts budget and determined that the purchase of all four reconditioned engines will not exceed the budgeted amount.

Award of the contract to MHC Kenworth was approved by the Transit Board at their December 8, 2021 meeting.

ALTERNATIVES:

1. Approve award of contract for the purchase of four reconditioned engines to MHC Kenworth of Des Moines, Iowa for a total cost of \$129,343.68.
2. Reject all bids and direct staff to proceed according to City Council priorities.

CITY MANAGER'S RECOMMENDED ACTION:

Award of this contract will enable CyRide to make needed repairs to the four buses mentioned above and return them to regular in-service usage. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

CITY OF AMES, IOWA	Reconditioned Engine Cost: Vehicle 419, 420, 421, 422	Core Cost Per Engine	TOTAL COST:	LEAD TIME:
mike.adair@cityofames.org				
RFQ No. 2022-065				
BIDDERS				
MHC Kenworth - Des Moines	\$27,160.91	\$5,175.01	\$129,343.68	10 Days
O'Halloran International, Inc.	\$28,064.12	\$6,727.50	\$139,166.48	10 Days
Cummins Inc.	\$30,511.51	\$5,625.00	\$144,546.04	7-10 Days