

Agenda Item Summary

1. ACTION REQUESTED/PURPOSE: Approve Bid Waiver # W-050403 to waive the formal quotation procedure, and allow Lee Tran to purchase Cummins engines and repair parts, from Cummins Southeastern Power Inc. A waiver has been requested because Cummins Southeastern Power, Inc. is the sole distributor of Cummins engines and repair parts in the state of Florida (please see Attachment #3). It is also requested that the term of this waiver be open-ended; due to the fact that the average life of a vehicle with a Cummins engine is 10 years; and the vehicles with Cummins engines are constantly being added to Lee Tran's fleet. Lee Tran estimates its annual expenditures for these engines and parts to be approximately \$60,000. (It should be noted that with the approval of this waiver, Lee Tran would receive dealer level pricing under the Cummins' discount structure.) Funding will be available from the individual department or division's budget whom will be responsible for monitoring their individual expenditures. This expenditure is 100% grant funded by the Federal Transit Administration.

2. WHAT ACTION ACCOMPLISHES: Allows Lee Tran to purchase required engines, parts, etc. on an as-needed basis in order to keep their trolleys and buses fully operational.

3. MANAGEMENT RECOMMENDATION: Approve as stated.

4. Departmental Category: <u>ALA</u>		5. Meeting Date: <u>05-10-2005</u>
6. Agenda: <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Administrative <input type="checkbox"/> Appeals <input type="checkbox"/> Public <input type="checkbox"/> Walk-On	7. Requirement/Purpose: (specify)	
	<input type="checkbox"/> Statute	
	<input type="checkbox"/> Ordinance	
	<input checked="" type="checkbox"/> Admin. Code <u>AC-4-1</u>	
	<input type="checkbox"/> Other	
		8. Request Initiated: Commissioner _____ Department _____ Division <u>Lee Tran</u> By: <u>Steve Myers, Director</u>

9. Background: On April 7, 2005, the Division of Purchasing received a request from Lee Tran to waive the formal quotation procedure to allow for the purchase of Cummins engines and repair parts from Cummins Southeastern Power, Inc. This expenditure is 100% grant funded by the Federal Transit Administration.

Funds are available: KI5440148600.504635.41

ATTACHMENTS:

- (1) Request for Bid Waiver
- (2) Justification for Waiver Purchase
- (3) Parts Source Verification Letter from Cummins Southeastern Power, Inc.

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager/P.W. Director
					Analyst	Risk	Grants	Mgr.	
<u>Steve Myers</u> 4/26/05	<u>Steve Myers</u> 4/26/05			<u>W. G. ...</u> 4/28/05	<u>R. ...</u> 4/25/05	<u>W. ...</u> 4/28/05	<u>W. ...</u> 4/21/05	<u>W. ...</u> 4/28/05	<u>W. ...</u>

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

Rec. by CoAtt:
 Date: 4/27/05
 Time: 3:00
 Forwarded To:
 Co. Mgr. 4/28/05

RECEIVED BY
 COUNTY ADMIN: AM
4/28/05
9:30 AM
 COUNTY ADMIN
 FORWARDED TO: AM
4/28/05
4 PM

ATTACHMENT #1

From: Susan Riley
To: Franceschini, Robert
Date: 4/18/05 4:33PM
Subject: Bid Waiver Sole Source

We need to do a bid waiver for BOCC approval for Cummins (similar to Gillig and New Flyer) to purchase OEM parts for the buses and trolleys. We have spent \$40,000 YTD. Attached is the justification form and a letter from Cummins. We estimate annual expenditures to be \$60,000. Funds have been budgeted in KI5440148600.504635.41 (Independent Division, Fixed Route, Transit Operating, Vehicle Repair Parts, Vehicle Maintenance) This procurement is 100% Grant funded by the Federal Transit Administration.

Please advise if you need anything further.

CC: Myers, Steve; Ralston, Lawrence

ATTACHMENT # 2

JUSTIFICATION FOR SOLE SOURCE AND/OR WAIVER PURCHASE

REQUISITION NUMBER _____

DATE 4-7-05

DEPARTMENT TRANSIT

BUSINESS UNIT _____

SUGGESTED VENDOR

Cummins S.E. POWER INC.

ITEM DESCRIPTION AND REASON FOR SOLE SOURCE AND/OR WAIVER: (MAY ALSO BE ATTACHED AS A MEMO)

Cummins ENGINES AND REPAIR PARTS, Cummins S.E. POWER INC.
is the SOLE SOURCE for Cummins Products AND
ALL other Parts Dealers in S.W. Florida Purchase
Their Parts from Cummins S.E. POWER INC.

TECHNICAL CHARACTERISTICS:

O.E.M. REPLACEMENT AND REPAIR PARTS
FOR Cummins DIESEL ENGINES MANUFACTURED
By Cummins AND Sold By Cummins.

REASON FOR REQUESTING SOLE SOURCE:

ITEM MUST MATCH EXISTING EQUIPMENT, WHICH IS:

Cummins I.S.B AND I.S.L ENGINES

ITEM IS A REPAIR PART FOR EXISTING EQUIPMENT, WHICH IS:

Cummins I.S.B. AND I.S.L. ENGINES

ITEM IS TO BE ATTACHED TO EXISTING ITEM, WHICH IS:

Cummins I.S.B. AND I.S.L. ENGINES

Revision Date:

TECHNICAL CHARACTERISTICS OF REQUESTED ITEM ARE ESSENTIAL TO OUR NEEDS
BECAUSE:

Our Buses and Trolleys are Powered by Cummins Engine

NO OTHER MANUFACTURER OF THIS TYPE OF PRODUCT EXISTS Cummins Parts for Cummins Engines.

OTHER MANUFACTURERS OF THIS TYPE OF PRODUCT DO NOT MEET OUR MINIMUM REQUIREMENTS:

MANUFACTURER'S NAME: _____

REASON: _____

MANUFACTURER'S NAME: _____

REASON: _____

MANUFACTURER'S NAME: _____

REASON: _____

OTHER _____

MUST PERFORM PRICE OR COST ANALYSIS OR ATTACH NEGOTIATED PRICE QUOTE FROM VENDOR; LETTER FROM MANUFACTURER STATING SOLE SOURCE.

A) PRICE ANALYSIS PERFORMED

BASED ON:

LEE County Transit Gets Dealer Prices,
The same as if a parts store would buy
the part from Cummins S.E. Power Inc.
SEE ATTACHED SOLE SOURCE LETTER FROM
Cummins S.E. Power Inc.

Revision Date:

B) COST ANALYSIS PERFORMED:

BASED ON:

Jolly Roberto MAINTENANCE MANAGER
SIGNATURE AND TITLE OF REQUESTER

I, *Robert D. Franceschini*, AUTHORIZED BUYER,
CONCLUDE THE FOLLOWING:

SOLE SOURCE JUSTIFICATION IS ADEQUATE AND PURCHASE IS AUTHORIZED
WITHOUT COMPETITIVE BIDDING.

SOLE SOURCE JUSTIFICATION IS INADEQUATE AND REQUISITION IS
RETURNED TO DEPARTMENT.

DUE TO TIME RESTRAINTS PURCHASE IS AUTHORIZED WITHOUT
COMPETITIVE BIDDING.

COMPETITIVE/NON-COMPETITIVE BID WAIVER APPROVED.

[Signature] 4-15-05
BUYER

Janet K. Sheehan 4-15-05
PURCHASING DIRECTOR



Cummins Southeastern Power, Inc.
2671 Edison Ave.
Fort Myers, FL 33916

From: John Hansel
Phone 239-337-1211 ext. 8004
Fax 239-337-7851

Date: 4-7-2005
To: Larry Ralston
Company: LeeTran
Fax number: 278-7801
cc:

Ref: Cummins engines, parts, & service
Number of pages including this cover: 1

Cummins Southeastern Power is the licensed distributor for Cummins, Inc. for engines, parts, and service in the state of Florida. We maintain a dealership network and also provide for retail sales from our branches throughout the state. We are the sole source for all Cummins parts and engines sold in our territory.

LeeTran receives special pricing consideration with Cummins Southeastern Power as a transit authority. There is a code attached to the account which discounts parts, service and engines the same way an authorized dealer account would be flagged for pricing consideration.

LeeTran is on a Cummins, Inc. transit authority wholesale program whereby Cummins Southeastern Power receives compensation from Cummins, Inc. for discounting and supporting LeeTran's business. The intent and result of this program is make the Cummins distributor the sole source for all Cummins engines, parts, and service for transit authorities in a direct way, displacing all others in the Cummins distribution channel. The transit business receives a high priority at Cummins, Inc., and it is their wish and intent that distributors deal directly with them to the benefit of all, hence this and other programs in place for the transit business.

Cummins now enjoys by far the largest share of the transit bus engine business in the U.S., and with this and other programs, intends to keep it.

As always, please do not hesitate to call with any questions. We appreciate your business.

Best regards, John