

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Less 18-214R – Remanufactured Engines

The School Board of Broward County, Florida (SBBC), released Invitation to Bid (ITB) 18-214R – Remanufactured Engines on March 2, 2018 through March 27, 2018. The scope of the bid includes the purchase of remanufactured engines as needed for the Vehicle Maintenance Division. Remanufactured engines are needed only when the engine cannot be rebuilt in-house. The rationale for the increase in remanufactured engines is due to the diesel industry switching from a sleeved engine to a non-sleeved “parent-bore” engine. This change now requires specialized heavy machinery to rebuild engines unlike before, and the cost of such equipment would not result in savings for the District. Also, due to the high school bus to the mechanic ratio thirty (30) to one (1) in-house engine rebuilds cannot be accomplished efficiently.

The engines covered by this contract are intended for use by the Student Transportation and Fleet Services department in fulfilling their commitment to providing safe and efficient transportation throughout Broward County. The total school bus fleet being maintained by the District is 1301. This includes; 995 daily routed buses, fifty-seven (57) activity/school-based buses, and ten (10) Headstart buses. However, the intent of this Bid is primarily to address vehicles with older engines.

See detailed listing below of older vehicles and note this represents more than fifty-nine (59) percent of the total fleet.

Year	# of Buses
1997	49
1998	72
2000	34
2001	54
2002	108
2003	66
2004	115
2005	77
2007	104
2008	95
Total Buses 10 Years or older	774

Procurement Method

The previous ITB 17-083T – Remanufactured Engines received only one bid and was awarded for one (1) year, December 21, 2016 through December 30, 2017. The previous bid had several line items in which the District did not receive any responses. This included the Mercedes Benz engine at the cost of \$16,917.

During the process of researching bid specifications and strategic sourcing for vendor participation, there was no interruption in the department’s ability to acquire the goods and services needed. Per Purchasing Policy 3320 Part II (C) three (3) quotes were obtained to purchase the goods and services needed.

The ITB 18-214R – Remanufactured Engines received five (5) bids with an award to three (3) vendors, Jasper Engine Exchange, Matthews Bus Alliance, Inc., and Rechten International Trucks. The term of the bid is for three (3) years and will begin on May 9, 2018 through May 31, 2021. The funding for the items procured under this ITB will come from the department’s operating budget.

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Financial Impact

The Student Transportation & Fleet Services (STFS) is requesting a spending authority of \$440,000.

On this ITB additional engines were included in the specifications, therefore the analysis of the spend was performed using the Financial Analysis Worksheet, plus purchase orders issued under the Purchasing Policy 3320 – Part II (C).

During the 2017 calendar year, the Financial Analysis indicated a total spend of \$58,352, and the purchase orders issued indicated an additional cost of \$32,224 (per table below). The total spend for Calendar Year 2017 was \$90,576 (total of eleven (11) engines).

The Vehicle Maintenance Division anticipate replacing several more engines than in the previous years, which are more expensive and requires extensive equipment to properly rebuild these engines (Navistar Maxx Force EGR engines, Caterpillar and Mercedes engines). These engines are now outside of their manufactured warranty period and have accumulated a substantial amount of engine hours to warrant their replacement. The Vehicle Maintenance Division anticipate replacing approximately seventeen (17) engines each year over the term of the contract period.

The table below outlined the estimated replacement engines and cost:

Engines	The calendar Year 2017			The calendar Year 2018		
	Total No. Engines	Average Cost	Total Cost	Total No. Engines	Average Cost	Total Cost
International Harvester	5	\$ 8,095	\$ 40,479	12	\$ 7,612	\$ 91,344
Caterpillar	5	\$ 6,636	\$ 33,180	3	\$ 6,665	\$ 19,995
Mercedes Benz	1	\$ 16,917	\$ 16,917	2	\$ 16,917	\$ 33,834
Total	11		\$ 90,576	17		\$ 145,173

<u>Anticipated annual cost</u>	<u>\$145,173</u>
<u>Contract term</u>	<u>(x) 3</u>
<u>Total spending request</u>	<u>\$440,000</u>

The financial impact to the District will be \$440,000. The funding source will come from the Student Transportation and Fleet Services department's budget. The financial impact represents an estimated contract value; however, the amount authorized will not exceed the contract award amount.