



Agenda Item No. 2

To: Building and Operating Committee/Committee of the Whole Meeting of January 21, 2010

From: Christian N. Stark, Marine Projects Manager, Ferry Division
James P. Swindler, Deputy General Manager, Ferry Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE AWARD OF CONTRACT NO. 2010-FT-12, SALE OF FOUR SURPLUS CUMMINS DIESEL ENGINES AND MISCELLANEOUS SPARE PARTS, TO WAGNER & PIGOZZI, INC.**

Recommendation

The Building and Operating Committee recommends that the Board of Directors authorize the award of Contract No. 2010-FT-12, *Sale of Four Surplus Cummins Diesel Engines and Miscellaneous Spare Parts*, to Wagner & Pigozzi, Inc., Oakland, CA, in the amount of \$83,052.96.

Summary

Contract No. 2008-FT-4, *Installation of Four New Main Engines for Re-Powering of the M.V. Mendocino, and Dry-Docking for Routine U.S. Coast Guard Inspection, Hull Maintenance and Repairs*, with Bay Ship & Yacht Co., Alameda, CA, was completed in FY 07/08, and the vessel was redelivered to the District on July 3, 2008.

As a part of this re-power project, the four Cummins KTA50 main propulsion engines were removed from the vessel. The Cummins engine blocks were rendered inoperable to meet the requirements of the Carl Moyer Grant that paid for the new environmentally friendly engines. The old Cummins engines are no longer of any use to the District, as they do not meet current EPA requirements and the parts are not interchangeable with any other asset the District possesses. Since the assets in question (four Cummins KTA50 engines) were originally valued at over \$100,000, before they may be disposed of, Board approval is required.

On November 24, 2009, the District issued a request for sealed bids for the engines and spare parts in question. Staff has been approached by several parties that were interested in purchasing the remaining engine parts and disposing of the compromised engine blocks. The Carl Moyer Grant guidelines are very specific in that once the "engine destruction" has been approved by the Bay Area Air Quality Management District (BAAQMD), the remaining useful parts may be disposed of at the Grantee's discretion.

On December 29, 2009, a sole bid was received in regard to the subject Contract. The sole bid from Wagner & Pigozzi Inc. of Oakland, California was for \$83,052.96 for the four used Cummins engines. No bid was received for the District's inventory of spare Cummins parts. The sole bid received by Wagner & Pigozzi was determined to be fair and reasonable by Staff as it exceeded the required minimum bid price.

Fiscal Impact

These engines were originally purchased with Federal Transit Administration (FTA) grant funds. The funds received by the award of the sale of the used engines will, with FTA approval, be included in our next FTA grant to reduce the cost of a FTA-funded project. The final amount to be secured in the grant will be determined by the Capital and Grant Programs Office and FTA Region IX.