



## CITY OF WAUKESHA

### Administration

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<b>Committee:</b> Transit Commission	<b>Date:</b> 8/6/2015
<b>Common Council Item Number:</b> 15-2674	<b>Date:</b> 8/18/2015
<b>Submitted By:</b> Fred Abadi- Public Works	<b>City Administrator Approval:</b> Kevin Lahner, City Administrator KL
<b>Finance Department Review:</b> Rich Abbott, Finance Director RA	<b>City Attorney's Office Review:</b> Brian Running, City Attorney <b>BER (ME)</b>
<b>Subject:</b> Approval of Purchase of Two Re-con Cummins Engines to Badger Truck Center, Inc.	

#### Details:

This item is to purchase two rebuilt Cummins engines to replace the original engines in two of the 2008 Gillig buses. This is part of the mid-life rehab of these buses and can be funded with 80% federal funds. Mid-life rehabs are a common practice in the transit industry.

Last fall, Transit issued a purchase order to have its three 2008 Gillig bus engines rebuilt. At the time, Transit Maintenance felt that the original engine blocks could be re-used and just have the components of the engine replaced (pistons, etc). Transit would provide the parts to the vendor doing the re-build. This was a less expensive approach vs. purchasing a fully rebuilt engine. The first engine went to the vendor and the vendor found that there were major issues with the block and the block could not be re-used. That engine required a full rebuild. Given the condition of the first block, Transit Maintenance now feels that the other engine blocks are in similar condition and that a full build is needed. Given this, Transit has gone out for bid to purchase two fully rebuilt engines for the remaining two buses. Three bids were received and two were deemed responsive. The third bid did not include the required warranty information and was deemed unresponsive. The lowest bid was from Badger Truck Center, Inc. with a bid of \$22,420.00 per engine for a total of \$44,840.00. The other responsive bid was from Cummins NPower at \$28,976.44 per engine for a total of \$57,952.88. The third bid that was rejected would have been the second lowest.

Transit recommends awarded the purchase of the two recon Cummins engines to Badger Truck Center, Inc. for \$44,840.00. \$35,872.00 (80% of the purchase) will come from federal funds with the remaining \$8,968.00 (20%) from transit operating funds. To save costs, Transit Maintenance staff will do the removal of the old engines and installation of the new re-built engines. This bid is very timely as one of the buses scheduled to receive a rebuild, Bus 155, has recently had a major engine issue that would require an extensive repair.

#### Options & Alternatives:

Transit could again send the next two buses in for the "partial" rebuild and purchase all the parts but given the condition of the first bus, would likely have the same result. This would mean added down time of the buses and more expense than purchasing a rebuilt engine from the start. It would not be wise to forego the rebuilds altogether as one of the two remaining engines currently has a major failure and requires extensive repair. Also,



Transit has found that the buses with the mid life re-built engines last longer and can be used for all day service for several years longer than the buses with the original engines. Plus, the rebuilt engines have been switched out of decommissioned buses and put in other older buses to extend the life of other buses. Given all these factors, the best and most viable option is to purchase the full engine rebuilds.

**Financial Remarks:**

The cost per engine is \$22,420.00 for a total of \$44,840.00. \$35,872.00 (80% of the purchase) will come from federal funds with the remaining \$8,968.00 (20%) from transit operating funds.

**Executive Recommendation:**

Recommend approval of purchase.

**Committee Recommendation:**

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