



ITEM ID: 2024-290-0

TRANSMITTAL DATE: October 4, 2024

MEETING DATE: October 11, 2024

TO: Contracts, Operations, Maintenance, and Safety Committee

FROM: Justin Fornelli, Chief, Program Delivery

SUBJECT: Contract No. EP241-25 - F125 Intermediate Engine Overhaul - Recommendation to Award - Quinn Power Systems

Issue

The Authority's F125 locomotive fleet requires an intermediate engine overhaul to meet the Original Equipment Manufacturer (OEM) recommendations for maintaining a State of Good Repair and ensuring Tier 4 emissions compliance.

Recommendation

It is recommended that the Committee recommend the Board authorize the Chief Executive Officer (CEO) to award Contract No. EP241-25 to Quinn Company dba Quinn Power Systems, Inc. (Quinn) for the overhaul of the F125 locomotive engines for a total not-to-exceed contract amount of \$34,551,052.57.

Strategic Commitment

This report aligns with the following Strategic Business Plan Commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Overhaul of the Tier 4 engines will support the state of good repair of the F125 locomotive fleet.

Background

The proposed project is an intermediate engine overhaul for the Authority's F125 Tier 4 compliant locomotive engines, as recommended by the Original Equipment Manufacturer (OEM). According to OEM guidelines, intermediate overhauls are necessary every 18,000 engine hours to ensure the engines operate efficiently and reliably, reducing the risk of costly breakdowns and maintaining regulatory compliance. The overhaul includes a detailed inspection, repair, and replacement of key components that are subject to wear over time. This proactive approach will enhance engine reliability and reduce long-term operating costs.

Discussion

On May 2, 2024, the Authority issued Request for Proposals (RFP) No. EP241-25, seeking proposals from qualified firms to provide engine overhaul services for the Authority's F125 Fleet. The RFP was posted on the Authority's online solicitation portal and notifications were sent to 610 registered firms. The Authority also advertised the RFP in publications in the five member agency counties and in diversity newspapers. There were 21 prospective proposers. The Authority received and answered thirteen questions.

The Authority received a single proposal by the submission due date of July 17, 2024. The proposer was found to be responsive and responsible. Staff also completed post-solicitation research among the prospective proposers and found that several potential proposers did not have the capacity or staff to manage a project of this size and timeframe.

Negotiations were held with Quinn on August 22, 2024, to review the price proposal and discuss some of the technical processes of the overhaul. It was determined that a revised proposal was needed to replace rather than refurbish the cylinder liners of each engine. The cost difference between the proposals is shown in the Table below:

	ICE	Quinn 1st Proposal	Quinn 2nd Proposal
Price per unit	\$715,234.00	\$705,364.34	\$715,342.70
Subtotal (qty. 42)	\$30,039,828.00	\$29,625,302.27	\$30,044,393.54
+/-	0.00%	-1.38%	0.015%

The original proposal was 1.38% below the Independent Cost Estimate (ICE), while the second proposal with the replacement of the cylinder liners is in alignment with the ICE. The total of \$30,044,939.54 for the overhaul of the engines was found to be fair and reasonable.

Due to the nature of the work, Staff has included a contingency of 15% to cover out-of-scope repairs, resulting in a total not-to-exceed contract authorization amount of \$34,551,052.57.

Budget Impact

The amount of \$6,435,000 was Adopted in the FY24 Capital Budget is the not-to-exceed amount of the requested contract authority which is expected to be expended in FY25. Funding for subsequent years will be requested through the annual budget or an equivalent process. There is no financial commitment with respect to subsequent years and work will be

authorized only if funding is approved.

Next Steps

Upon Board approval of the award, staff will execute a contract with Quinn and issue a Notice to Proceed.

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Approved by: Justin Fornelli, Chief, Program Delivery

Attachment(s)

[Presentation - EP241-25 F125 Engine Overhaul](#)