



**May 10, 2018**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Sole Source Agreement for Fire Suppression and Methane Conversion Kits

### **Overview**

The Orange County Transportation Authority currently operates 299, 2007-2008 model year compressed natural gas-powered buses. These vehicles have electronic control panels for the onboard automatic fire suppression and methane detection systems. The original panel is no longer available through the original bus manufacturer. To date, the panels on 35 of these vehicles have been replaced with an approved equal, but the lead time is very long requiring the bus to be removed from service until the part is received. Approval of a purchase order for 264 of the replacement electronic panels for the remainder of the fleet will expedite repairs when the component fails and will reduce the overall unit cost versus purchasing one panel at a time.

### **Recommendations**

Authorize the Chief Executive Officer to negotiate and execute sole source Blanket Purchase Order No. C-8-1506 between the Orange County Transportation Authority and Kidde Technologies, Inc., in the amount of \$355,575, for the purchase of up to 264 Kidde fire suppression/methane detection 12-channel conversion kits intended for the installation on the 2007-2008 model year New Flyer compressed natural gas-powered buses.

### **Discussion**

The control panel originally installed in this fleet of buses was provided by Kidde Technologies, Inc. (Kidde). The system was called the Terrier System and was made by a sub-contractor to Kidde. The company went out of business several years ago and, as a result, Kidde developed a 12-channel conversion kit that continued to operate the fire detection and methane detection systems using the existing sensors installed in Orange County Transportation Authority (OCTA) buses.

Based on the high failure rate of the Kidde panels, the long lead time to procure conversion kits, the high cost associated with one-off builds, and the negative impact of buses being removed from service, staff recommends retrofitting the buses affected in a comprehensive manner.

In order to retrofit OCTA buses impacted by the obsolete Terrier System, staff requests approval to purchase up to 264 Kidde 12-channel conversion kits intended to support the maintenance and continued operation of the 2007-2008 model year fleet of 264 compressed natural gas-powered buses.

### ***Procurement Approach***

This procurement was handled in accordance with OCTA Board of Directors (Board)-approved policies and procedures for a sole source procurement.

Kidde developed a conversion kit that replaces the Terrier System control modules with Kidde's KT1200 control module. The KT1200 module can only be supplied by Kidde and is the only system designed to work with the proprietary Kidde sensors and components already installed on OCTA buses. Purchasing the conversion kits will allow OCTA to use current production technology to keep buses once equipped with the Terrier System control modules in service.

Several fire suppression 12-channel conversion kits were recently purchased for inventory in the amount of \$2,582 each, under Part No. 476782. Due to the need to purchase a larger quantity, and through negotiations, Kidde agreed to reduce the price to \$1,250 each for 264, 12-channel conversion kits, which is a 52 percent savings to OCTA.

In accordance with OCTA's procurement procedures, Contracts Administration and Materials Management (Camm) requested the Internal Audit Department (Internal Audit) to apply agreed upon procedures to prices proposed by firms under sole source procurements over \$50,000. However, Internal Audit could not apply agreed upon procedures to quoted pricing because detailed cost data was not provided by Kidde, and comparative pricing data from competitively procured contracts was not available. Based on Kidde's technical ability, financial status, and negotiated savings, Camm staff has concluded that Kidde is deemed responsive to OCTA's requirements.

### **Fiscal Impact**

The procurement of 264, 12-channel conversion kits to retrofit buses in the current fleet was approved in the OCTA Fiscal Year 2017-18 Budget, Transit Technical Services, Account 2114-D2108-7751.

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***Summary***

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute sole source Blanket Purchase Order No. C-8-1506 between OCTA and Kidde, in the amount of \$355,575, for the procurement of up to 264, 12-channel conversion kits intended to replace the existing obsolete onboard Kidde Fire Suppression and Methane Detection System panels on buses in the current fleet.

***Attachment***

None.

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