

Agenda Report

April 28, 2014

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH FAIRWAY FORD FOR THE PURCHASE OF ONE SPLICER VAN FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities);
2. Accept the bid dated August 13, 2013, submitted by Fairway Ford in response to Specifications LD-13-11; and authorize a purchase order contract for one splicer van for an amount not to exceed \$85,569.

BACKGROUND:

The Water and Power Department ("PWP") Underground Construction Division performs routine and emergency operations, maintenance and construction of the City's underground electrical distribution system, including splicing cable. The underground cable splicers require specialized vehicles that carry work tools, material and equipment that are essential for their work.

PWP requires a new van to replace vehicle number 1341, which is fifteen years old, has more than 66,000 miles, has incurred \$57,215 in operating expenses, and continues to require costly repairs, keeping it out of service for extended periods. This vehicle will be declared surplus and disposed of in accordance with City policy.

The new vehicle uses unleaded fuel and complies with all South Coast Air Quality Management District ("SCAQMD") rules and regulations for heavy duty vehicle engine emissions and clean air standards in the South Coast Basin.

A Notice Inviting Bids for the purchase of two Underground Splicing Vans was published on August 1, 2013 and copies of the specifications were mailed to six vendors. On August 13, 2013, two bids were received as follows:

| <u>Vender:</u> | <u>Bid Amount</u> |
|------------------------------------|-------------------|
| Fairway Ford, Placentia, CA | \$171,137 |
| Wondries Fleet Group, Alhambra, CA | \$283,198 |

Fairway Ford was the lowest responsive bidder that met all the requirements of the specifications and is recommended to receive the contract award. Following the bid process, staff determined that only one van is needed at this time to meet the current operational needs. Staff has determined that a different type of vehicle is needed instead of another van and will request a separate approval from Council for that purchase. Fairway Ford advised that their bid price was based on a cost per vehicle that would not change based on number of vehicles purchased. The price for one vehicle is half the bid amount or \$85,569. Staff recommends that City Council authorize the issuance of a purchase order contract to Fairway Ford for an amount not to exceed \$85,569 for one Underground Splicing Van. The van will come equipped with all cabinets, drawers, storage bins, shelves and mounting devices needed to carry all the tools and equipment used by the cable slicers. The vehicle will be delivered within six months.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance P.M.C.4.08 and the rules and regulations promulgated there under.

COUNCIL POLICY CONSIDERATION:

By providing PWP crews with the vehicle needed to perform their duties, the proposed contract is consistent with the Public Facilities Element of the General Plan and supports the City Council's goal to improve, maintain and enhance public facilities infrastructure and to implement capital improvements that will maintain and rehabilitate infrastructure.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from CEQA pursuant to the State CEQA Guidelines Section 15301 (Existing Facilities), which exempts actions such as maintenance, repair and operations relating to existing facilities, mechanical equipment or structures where there is negligible or no expansion of the use. The purchase of a replacement vehicle that has the same purpose as the vehicle being replaced has been determined to be exempt from CEQA per this categorical exemption.

The purchase complies with SCAQMD rule 1196, which requires all government agencies to purchase clean heavy-duty dedicated gasoline or alternative-fueled vehicles to reduce air toxic and pollutant emissions. This vehicle also meets the requirements of Federal Emission Standard rule 13 CCR 1956.1 issued by California Air Resources Board executive order A-010-11783-1 signed February 28, 2012.

FISCAL IMPACT:

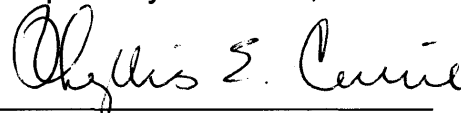
The maximum cost of this action is \$86,569. Funding for this action will be addressed by utilizing existing funds in the Water and Power Department's Transportation Equipment account 8505-411-843220-0392, which were appropriated for this purpose. The funds will be spent in fiscal year 2015 when the vehicle is delivered. Indirect costs for contract preparation and delivery arrangements are expected to be less than \$1,000. Maintenance, repair and fuel costs are anticipated to be approximately \$40,000 over the life span of the vehicle. Sufficient funds will be requested annually in operating budget accounts 8616-401-843220 for maintenance and 8618-401-843220 for fuel. The vehicle will be under warranty for five years, and no maintenance expenses would be expected during that time except for oil changes and possibly tire replacements.

The following table summarizes the total fiscal impact in fiscal year 2015. Although the vehicle will be delivered and paid for in fiscal year 2015, all funds will be accrued in fiscal year 2014, with the exception of the contract administration costs.

| | 2015 Expenditures |
|------------------------------------|-------------------|
| Base Contract Amount | \$85,569 |
| Contingency | 0 |
| Not to Exceed Amount | \$85,569 |
| Contract Administration | \$1,000 |
| TOTAL MAXIMUM FISCAL IMPACT | \$86,569 |

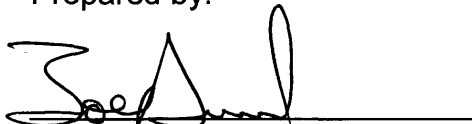
Funds were appropriated in the current year's budget for the purpose of acquiring this vehicle, and the proposed contract will have no impact on other operational or capital projects. Acquiring the vehicle will positively impact PWP's ability to complete necessary capital projects.

Respectfully submitted,



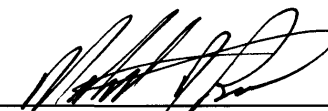
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