

Agenda Report

June 9, 2014

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AUTHORIZE PURCHASE ORDER WITH SHI INTERNATIONAL CORPORATION FOR THE PURCHASE OF 200 GLOBAL POSITIONING SATELLITE TRACKING SYSTEMS FOR A NOT-TO-EXCEED AMOUNT OF \$288,650

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment;
2. Neither competitive bidding nor competitive selection is required pursuant to the City Charter Section 1002 (H), and Pasadena Municipal Code Section 4.08.049; and
3. Authorize the City Manager to approve a purchase order with SHI International Corporation in an amount not to exceed \$288,650 over a three year period, with an option for two, one-year additional terms, at the discretion of the City Manager, for a maximum total contract length of five years, for the purchase of 200 Global Positioning Satellite (GPS) tracking systems without competitive bidding pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services

BACKGROUND:

In 2007, the Department of Public Works installed and began using the Teletrac Inc. Global Positioning System (GPS) on 50 vehicles. Between 2008 and 2012, the Department installed an additional 137 Teletrac GPS units on Public Works vehicles resulting in 187 vehicles being equipped with GPS systems

The Department uses GPS systems to reduce costs while enhancing productivity and public service delivery, customer service, and safety. GPS hardware connects directly

Purchase Order for GPS System

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to vehicle ignition systems to collect data regarding automobile activity such as engine idle time, vehicle speed, travel time, and starts and stops. Additionally, the GPS units facilitate the viewing of real time vehicle locations using computers and mobile devices while retaining vehicle location information for future reference.

On January 27, 2014, the City Council authorized an increase to purchase order # 54619 with Teletrac Inc. in the amount of \$83,000 for the maintenance and air-time of GPS systems for a revised not-to-exceed amount of \$157,999. This increase was necessitated by the increased number of Department of Public Works vehicles utilizing the Teletrac GPS equipment. Due to the increase in costs of the purchase order and number of vehicles equipped with GPS, the Department of Public Works committed to initiating a competitive selection process in fiscal year 2014 with the intent of having a new multi-year contract in place by July 1, 2014.

The Department of Public Works initiated the competitive selection process in collaboration with the Department of Finance. The Department of Finance identified two vendors, GPS Insight and Networkfleet, available to provide the necessary GPS services through Western State Contracting Alliance (WSCA) and the National Joint Powers Alliance (NJPA), cooperative purchasing organizations. Both organizations leverage contract purchasing solutions nationally to enable contracted suppliers and member agencies to work smarter and more efficiently as they do business with each other.

The Department of Public Works reviewed the services and costs provided by both vendors and found that GPS Insight provides a better product that best meets the needs of the Department of Public Works. GPS Insight is also less expensive than the current vendor, Teletrac. Specifically, the monthly cost for GPS Insight is \$34.95 per unit, compared to \$47.00 charged by Teletrac. As a result, the Department of Public Works recommends that the Teletrac units be replaced by GPS Insight units provided by SHI International Corporation. The Department will discontinue use of 187 Teletrac units on June 30, 2014 and switch to the GPS Insight product in July and will install additional GPS Insight units as needed.

The purchase of the GPS systems will be made as part of the WSCA Contract #ADSPO11-00000358-3 PA 70-12-70-19 with SHI International Corporation, the reseller of GPS Insight. WSCA has nationally solicited, evaluated and awarded contracts through a competitive bidding process on behalf of its members to ensure the lowest pricing available. This contract is available for use by government and state agencies and any county, city, district or other governmental bodies or corporations empowered to expend public funds. The contract term runs through June 2, 2015.

Purchasing the requested GPS Insight units utilizing the WSCA contract through SHI International Corporation is in the City's best interest as it reduces the amount of time required to take delivery of new equipment, eliminates the need to prepare bid specifications, review proposals, and award a competitive bid. Further, the fact that

WSCA awarded its contract through a nationwide competitive selection process ensures the cost competitiveness of the purchase.

COUNCIL POLICY CONSIDERATION:

This purchase supports the City Council's strategic goals to increase conservation and sustainability, and maintain fiscal responsibility and stability.

ENVIRONMENTAL IMPACT:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

The cost of this action is \$288,650. Funding will be addressed by the utilization of existing budgeted appropriations from the following accounts: Building Maintenance (8114-502-766100); Fleet Maintenance (8114-503-766200); Residential Solid Waste Operations (8114-406-764120), and Park Maintenance (8114-101-765100). It is anticipated that \$120,890 will be spent in fiscal year 2015, \$83,880 in fiscal year 2016, and \$83,880 in fiscal year 2017. There is no anticipated impact to other operational programs or capital projects as a result of this action.

The following table presents a summary of the sources of funds that will be used.

Building Maintenance Fund	\$ 61,743
Fleet Maintenance Fund	\$ 7,717
Refuse Fund	\$155,902
General Fund	\$ 63,288
Total Sources	\$288,650

Respectfully submitted,



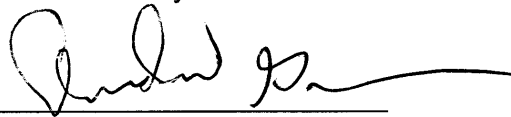
SIOBHAN FOSTER
Director of Public Works

Prepared by:



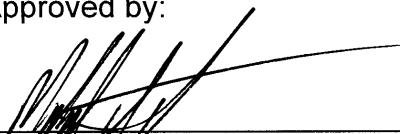
Jane Guo
Management Analyst IV

Concurred by:



ANDREW GREEN
Director of Finance
Department of Finance

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name: SHI International Corp.

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

<u>Thai Lee - owner</u>
<u>Al Fitzgerald - VP</u>
<u>Hal Suggs - VP</u>

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

<u>Thai Lee (owner/CEO)</u>

Prepared by: Guillermo Ortiz
Title: Account Executive
Phone: 619-444-8100
Date: 5/28/14