# Agenda Report

December 11, 2017

**TO:**      Honorable Mayor and City Council

**FROM:**   Department of Public Works

**SUBJECT:**   PURCHASE ORDER CONTRACT AWARD TO SOUTH COAST EMERGENCY VEHICLE SERVICE FOR PURCHASE OF PIERCE PARTS FOR PIERCE FIRE ENGINES FOR A NOT-TO-EXCEED AMOUNT OF $120,000

## RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt from 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. Authorize the issuance of a purchase order contract, without competitive bidding pursuant to City Charter Section 1002(f), contracts for labor, material, supplies, or services available from only one vendor, with South Coast Emergency Vehicle Service in an amount not to exceed $120,000 over a three-year period with the option for two additional one-year terms in the annual amount of $40,000, subject to the approval of the City Manager, for a maximum total contract length of five years and a total contract amount of $200,000; and

3. Grant the proposed purchase order contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

## BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) repairs and maintains over 1,100 City vehicles and equipment. The Pasadena Fire Department operates eight front line pumper engines, two of which are manufactured by Pierce. In order to perform the necessary repairs and maintenance, BSFMD stocks Pierce OEM parts. Parts such as control modules, vendor specific ladder components, engine mounts, wiring harnesses, seatbelt systems, and other components are proprietary and can only be purchased through a certified dealer.

Pierce does not sell replacement parts directly from the factory; as such, customers must depend on the certified dealer network to procure replacement OEM parts.

South Coast Emergency Vehicle Service (South Coast), headquartered in Ontario, is the Pierce authorized dealership in Southern California, and is the sole source for Pierce replacement parts in the region.  This was verified by Pierce Manufacturing via a letter provided stating that South Coast is the authorized sole source parts distributor in Southern California.  The City has done business with South Coast in the past, issuing purchase orders totaling over $242,000 since 2007 for parts and repair service.

Based on prior years' actual expenditures for Pierce OEM parts, staff estimates it will need an annual purchase order contract authorization of $40,000.  The Department of Public Works recommends that the City Council grant a purchase order contract as an exemption from the competitive selection process with South Coast  for the purchase of Pierce parts, for a three year period in an amount not-to-exceed $120,000.  As proposed, the contract may be extended for two additional one-year terms not-to-exceed $40,000 annually, subject to the approval of the City Manager and without further City Council approval.

**COUNCIL POLICY CONSIDERATION:**

Approval of this contract supports the City Council's goals of maintaining fiscal responsibility and stability and ensuring public safety.
**ENVIRONMENTAL IMPACT:**

This purchase complies with all South Coast Air Quality Management District rules and regulations.

**FISCAL IMPACT:**

The total cost of this action is $200,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance operating budget account 810100-51122058.

Respectfully submitted,

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