



Agenda Report

February 27, 2017

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: **PURCHASE ORDER CONTRACT AWARD TO GOLDEN HANDS AUTO BODY, INC., FOR LIGHT AND MEDIUM DUTY VEHICLE AUTO BODY REPAIR SERVICES FOR A NOT TO EXCEED AMOUNT OF \$495,505 AND PURCHASE ORDER CONTRACT AWARD TO WALNUT-VISTA AUTOMOTIVE INDUSTRIES, INC., DBA A-CAR AUTO COLLISION CENTRAL FOR HEAVY DUTY VEHICLE AUTO BODY REPAIRS SERVICES FOR A NOT TO EXCEED AMOUNT OF \$145,180**

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; and
2. Accept the bid dated December 27, 2016 submitted by Golden Hands Auto Body, Inc., for light and medium duty vehicle repairs, and authorize the City Manager to enter into a purchase order contract with Golden Hands Auto Body for light and medium duty vehicle repairs in an amount not to exceed \$297,303 over a three-year period with the option for two additional one-year terms in the annual amount of \$99,101 at the discretion of the City Manager, for a maximum total purchase order contract length of five years; and
3. Accept the bid dated December 27, 2016 submitted by Walnut-Vista Automotive Industries, Inc., dba: A-Car Auto Collision Central (A-Car Auto Collision) for heavy duty vehicle repairs; and authorize the City Manager to enter into a purchase order contract with A-Car Auto Collision for heavy duty vehicle repairs in an amount not to exceed \$87,108 over a three-year period with the option for two additional one-year terms in the annual amount of \$29,036 at the discretion of the City Manager, for a maximum total purchase order contract length of five years.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) maintains, repairs and disposes of the City's rolling stock which consists of approximately 839 vehicles and 326 pieces of equipment. BSFMD requires a contractor to provide auto body repairs for City vehicles.

On December 8, 2016, a Notice Inviting Bids for light, medium and heavy duty vehicular body, frame, and refinishing repairs for the City's Fleet was posted on the City's website, which generated notices to 407 vendors. The notice was also published in the *Pasadena Journal* on December 15, 2016. Additionally, outreach efforts were conducted via telephone to 70 local vendors as identified in the Yellow Pages. Of the 407 vendors solicited through the City's website, 27 were identified as local Pasadena businesses. Nine vendors downloaded the bid documents. Bidders could choose to bid on the light and medium duty repairs, the heavy duty repairs, or both.

Two vendors, both located in Pasadena, submitted bids. Bidders were asked to provide the percentage parts markup from dealer cost and hourly labor rate that will be charged to the City in repair orders. These markup and labor rates provided by each bidder were applied to estimated annual quantities needed by the City to arrive at the total bid amount. Bid proposals were reviewed by BSFMD staff, and Golden Hands Auto Body was found to be the lowest responsive and responsible bidder for light and medium duty vehicles and A-Car Auto Collision was found to be the lowest responsive and responsible bidder for heavy duty vehicles. The City has conducted business with both vendors since 2006 and has spent approximately \$31,588 with Golden Hands Auto Body and \$643,956 with A-Car Auto Collision.

The bid results are as follows for light and medium duty vehicles:

Bidder	Amount (\$)
1. Golden Hands Auto Body, Pasadena, CA	82,584
2. A-Car Auto Collision, Pasadena, CA	83,156

The bid results are as follows for heavy duty vehicles:

Bidder	Amount (\$)
1. A-Car Auto Collision, Pasadena, CA	24,196
2. Golden Hands Auto Body, Pasadena, CA	25,992

The Department of Public Works recommends that Golden Hands Auto Body be awarded a purchase order contract for light and medium duty vehicle repairs for a three-year period, and that A-Car Auto Collision be awarded a purchase order contract for heavy duty vehicle repairs for a three-year period, as they are the lowest responsive and responsible bidders. The purchase order contract for each bidder may be extended for a period of up to two additional one-year periods, with the approval of the City

Manager and without further City Council approval provided that the purchase order contract pricing terms remain the same.

The amount to be paid annually shall not exceed \$99,101 for Golden Hands Auto Body and shall not exceed \$29,036 for A-Car Auto Collision. The total amount paid to Golden Hands Auto Body in the approved three years of this purchase order contract shall not exceed \$297,303, with the option for two additional one-year terms in the annual amount of \$99,101 at the discretion of the City Manager. Similarly, the total amount paid to A-Car Auto Collision in the approved three years of this purchase order contract shall not exceed \$87,108 with the option for two additional one-year terms in the annual amount of \$29,036 at the discretion of the City Manager.

For the initial three-year period, the purchase order contract for Golden Hands will be set annually as follows:

Base Bid	\$82,584
Contingency Allowance	<u>\$16,517</u>
Purchase Order Contract "Not to Exceed" Amount	\$99,101

For the initial three-year period, the purchase order contract for A-Car Auto Collision will be set annually as follows:

Base Bid	\$24,197
Contingency Allowance	<u>\$ 4,839</u>
Purchase Order Contract "Not to Exceed" Amount	\$29,036

The contingency allowance is for use in the event of large repairs as well as CPI adjustments. At the conclusion of the first purchase order contract year and prior to the commencement of the second year and any subsequent purchase order contract extension period(s), the Contractor may request unit price increases; however under no circumstances shall such increases exceed the percentage increase in the Los Angeles-Orange-Riverside CPI for the latest available preceding 12 month period. The request is due two months before the end of a purchase order contract period. Upon the City's approval, any increases will be effective at the beginning of the next purchase order contract period.

COUNCIL POLICY CONSIDERATION:

Approving this request 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 (SCAQMD) rules and regulations.

FISCAL IMPACT:

The total cost of this action is \$640,685, comprising of \$495,505 for Golden Hands Auto Body and \$145,180 for A-Car Auto Collision and includes the two option years. Funding will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance Fund, budget account 50322059-811400.

Respectfully submitted,



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Approved by:



STEVE MERMELL
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