

Agenda Report

March 13, 2017

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: CONTRACT AWARD TO STAR FORD LINCOLN OF GLENDALE FOR PURCHASE OF FORD AUTOMOTIVE PARTS FOR A NOT-TO-EXCEED AMOUNT OF \$540,000

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; and
2. Accept the bid dated January 31, 2017 submitted by Star Ford Lincoln of Glendale (Star Ford) in response to specifications for Ford Original Equipment Manufactured Parts and authorize the City Manager to enter into a contract with Star Ford in an amount not to exceed \$540,000 over a three-year period with the option for two additional one-year terms in the annual amount of \$180,000, at the discretion of the City Manager, for a maximum total contract length of five years.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) routinely performs repair and maintenance services to the City's vehicle fleet. Approximately 40 percent of the vehicles in the City's fleet are manufactured by Ford. As such, it is necessary for BSFMD to purchase and stock original equipment manufactured parts for use in repair and maintenance work on Ford vehicles. On January 12, 2017, a Notice Inviting Bids for the purchase of Ford original equipment manufactured parts was published in the *Pasadena Journal* and posted on the City's website, which generated notices to 449 vendors. Eleven vendors downloaded the bid documents and none were located in Pasadena. Additionally, staff conducted outreach and sent bid packets to 12 Southern California Ford dealerships.

Per the bid specifications, bidders were asked to provide the markup to the dealer cost they will charge the City on purchases of all parts for the life of the contract. Dealer cost

is established by Ford Motor Company and updated quarterly. The parts potentially needed by the City vary by year and are numbered in the thousands. As a result, a list of 15 automotive parts and estimated annual order quantities was provided to bidders, along with the most recent pricing information, using prices from the Ford Price Sheet dated October 1, 2016. This list represents a sample size of parts most commonly purchased by the City in order to provide uniform and consistent criteria by which to evaluate the bids. The markup provided by each bidder was applied to each of these parts and multiplied by the corresponding quantity to arrive at the below total bid amount for each bidder.

Four vendors submitted bids by the bid closing date of January 31, 2017. The bid results are as follows:

Bidder		Markup	Amount (\$)
1. Star Ford	Glendale, CA	+3%	\$35,673
2. Bob Wondries Ford	Alhambra, CA	+5%	\$36,366
3. Colley Ford	Glendora, CA	+15%	\$39,770
4. Warren Distributing	Santa Fe Springs, CA	+25%	\$43,229

Bid proposals were evaluated by BSFMD staff and four bids were deemed responsive. Star Ford was found to be the lowest responsive and responsible bidder. The City has previously done business with Star Ford, spending approximately \$28,868 with this vendor since 1990.

Based on prior years' actual expenditures with various vendors for Ford automotive parts, staff estimates it will need an annual contract authorization of \$180,000. The Department of Public Works recommends that the City Council authorize the City Manager to execute a contract with Star Ford for the purchase of Ford automotive parts, for a three year period in an amount not-to-exceed \$540,000. The contract may be extended for two additional one-year terms not-to-exceed \$180,000 annually, with the approval of the City Manager and without further City Council approval, provided that the contract pricing terms remain the same.

COUNCIL POLICY CONSIDERATION:

Approval of this contract award addresses the City Council's goals of maintaining fiscal responsibility and stability and ensuring public safety.

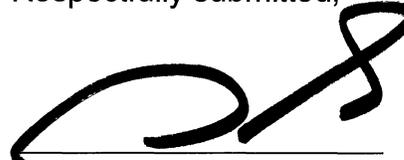
ENVIRONMENTAL IMPACT:

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

FISCAL IMPACT:

The total cost of this action is \$540,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance in operating budget (account 50322058-813700).

Respectfully submitted,



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Director of Public Works

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Approved by:



STEVE MERMELL
City Manager