

Agenda Report

November 23, 2020

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: **CONTRACT AWARD TO HERIBERTO EDDIE NAVARRO DBA NAVARRO'S TOWING FOR TOWING OF CITY OWNED HEAVY DUTY VEHICLES IN AN AMOUNT NOT-TO-EXCEED \$150,000 FOR UP TO FIVE YEARS**

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; and
2. i) accept the bid dated September 28, 2020, submitted by Heriberto Eddie Navarro dba Navarro's Towing (Navarro's Towing) in response to specifications for Heavy Duty Vehicle Towing; ii) reject all other bids received; and iii) authorize the City Manager to enter into a contract with Navarro's Towing for an amount not to exceed \$90,000 (which includes a \$22,935 contingency) over a three-year period with the option for two additional one-year extensions in the annual amount of \$30,000 (which includes a \$7,645 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$150,000.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division repairs and maintains over 1,100 city vehicles and equipment. Instances of mechanical failures, accidents, or other circumstances require that the City contract with a towing company to transport vehicles and equipment to and from City-owned facilities and designated repair locations in Southern California. Over the last three fiscal years, BSFMD has averaged 57 tows of heavy-duty vehicles per year.

The City has over 100 vehicles and equipment with a gross vehicle weight rating of 14,000lbs, and are therefore categorized in industry standards as heavy duty. The City's heavy duty vehicles are mainly operated by public safety, public works, and utility

crews to perform essential community and public services. This includes fire trucks, dump trucks, garbage trucks, sewer trucks, street sweepers, boom trucks, cranes, aerial trucks, chipper trucks, front loaders, water tank trucks, and water jetter trucks. A contract with a heavy-duty towing vendor serves the ongoing potential need to transport heavy duty equipment to and from repair locations on an as-needed basis, and is critically important to keep the City's fleet in good working condition.

On September 10, 2020, a Notice Inviting Bids for Heavy Duty Vehicle Towing was published in the paper as well as posted on PlanetBids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of ten vendors downloaded the specifications of which none were local. A total of three bids were received by the bid closing date of September 28, 2020 from non-local firms. Staff also referenced a list of local vendors in the City's business license database as well as online web searches in an attempt to reach potential local vendors. Of the businesses notified, none of the local vendors could provide this specialized service as outlined in the bid specification.

BID RESULTS:

Bid amounts were based on a one-way flat rate charge for towing within defined mileage radius thresholds.

Bids received by the closing date of September 28, 2020 are as follows:

<u>Bidder</u>		<u>Amount (\$)</u>
1. Navarro's Towing	Monterey Park, CA	\$22,355
2. City Terrace Service, Inc.	Los Angeles, CA	\$32,735
3. Foothill Towing	Monrovia, CA	Non Responsive

Navarro's Towing, established in 1985, has not done business with the City in the past. However, they have worked with other municipal agencies such as Los Angeles County Public Works and Fire Department, City of San Marino Police Department, City of Monterey Park Police Department, City of South Pasadena Police Department, Los Angeles County Sheriff, and California Highway Patrol. Based on prior years' actual expenditures for this specific service, the annual amount needed is estimated at \$30,000.

Since Navarro's Towing is the lowest responsive and responsible bidder, staff recommends that Navarro's Towing be awarded a three year contract term with an option for two one-year extension period, renewable at the discretion of the City Manager.

The contract will be set out as follows:

	Year 1 to 3	Year 4 Optional 1 st Extension	Year 5 Optional 2 nd Extension
Base Bid	\$ 83,334	\$ 27,778	\$ 27,778
Contingency Allowance	<u>\$ 6,666</u>	<u>\$ 2,222</u>	<u>\$ 2,222</u>
	\$ 90,000	\$ 30,000	\$ 30,000
		TOTAL	<u>\$150,000</u>

The contingency allowance is to cover estimated increases in repair services and Consumer Price Index adjustments.

COUNCIL POLICY CONSIDERATION:

This authorization supports the City Council's strategic goals to maintain fiscal responsibility and ensure public safety.

ENVIRONMENTAL IMPACT:

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

FISCAL IMPACT:

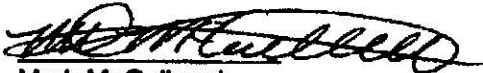
The cost of this contract is \$90,000 and the total cost of this action will be \$150,000. Funding will be addressed by the utilization of existing budgeted appropriations from the Fleet Maintenance & Repair Fund budget account 51122058-823600. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:



Mark McCullough
Public Works Administrator (BSFMD)

Approved by:



STEVE MERMELL
City Manager