

Agenda Report

August 21, 2017

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: PURCHASE ORDER CONTRACT AWARD TO STAR FORD LINCOLN OF GLENDALE FOR AS-NEEDED LABOR AND REPAIR ON FORD VEHICLES FOR A NOT-TO-EXCEED AMOUNT OF \$375,000

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. i) Accept the bid dated July 7, 2017 submitted by Star Ford Lincoln of Glendale (Star Ford) in response to specifications for Authorized Ford Service and Repair, and ii) authorize the issuance of a purchase order contract with Star Ford in an amount not to exceed \$375,000 over a three-year period with the option for two additional one-year terms in the annual amount of \$125,000, at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$625,000.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) repairs and maintains the City's fleet of over 1,100 vehicles, approximately 400 of which are manufactured by Ford. While City employees perform a range of maintenance and repairs on fleet vehicles, BSFMD outsources specialized and highly technical work to a vendor on an as-needed basis to ensure timeliness of repairs. Using an outside vendor will not eliminate work performed by City employees but is in addition to that ongoing work. On June 20, 2017, a Notice Inviting Bids for Authorized Ford Service and Repair was published in the *Pasadena Journal* and posted on the City's website, which generated notices to 318 vendors. Seven vendors downloaded the bid documents and none were local.

Per the bid specifications, bidders were asked to provide an hourly labor rate that they would charge the City for repairs on Ford vehicles. Additionally, bidders were asked to provide a percentage discount to be applied to the parts list price. This discount will be applied to the list price (at time of purchase) for each automotive part included in a repair order placed by the City throughout the life of the contract. One vendor submitted a bid by the bid closing date of July 11, 2017. The bid result is as follows:

Bidder	Amount (\$)
1. Star Ford, Glendale, CA	\$106,340

The bid proposal was evaluated by BSFMD staff and Star Ford was found to be a responsive and responsible bidder. Although only one bid was received, staff recommends awarding the contract to Star Ford to allow specialty work to be performed. The City has previously done business with Star Ford, spending approximately \$28,868 with this vendor since 1990.

Based on prior years' actual expenditures for Ford labor, staff estimates an annual purchase order contract authorization of \$125,000 will be needed. The Department of Public Works recommends that the City Council authorize a purchase order contract with Star Ford for as-needed Ford service and repairs, for a three year period in an amount not-to-exceed \$375,000. The contract may be extended for two additional one-year terms not-to-exceed \$125,000 annually, subject to 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:

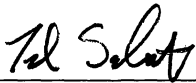
The total cost of this action is \$375,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance operating budget account 823600-50322058.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:



Ted Schuster
Management Analyst III

Approved by:



STEVE MERMELL
City Manager