

Agenda Report

December 11, 2017

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: PURCHASE ORDER CONTRACT AWARD TO KALMIKOV ENTERPRISES, INC. FOR PURCHASE OF SEAGRAVE PARTS FOR SEAGRAVE FIRE ENGINES FOR A NOT-TO-EXCEED AMOUNT OF \$270,000

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 November 7, 2017 submitted by Kalmikov Enterprises, Inc. in response to specifications for Seagrave Original Equipment Manufacturer (OEM) parts and authorize the issuance of a purchase order contract with Kalmikov Enterprises, Inc. in an amount not to exceed \$270,000 over a three-year period with the option for two additional one-year terms in the annual amount of \$90,000, subject to the approval of the City Manager, for a maximum total contract length of five years and a total contract amount of \$450,000.

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, six of which are manufactured by Seagrave, as well as two front line ladder trucks and one reserve ladder truck which are also manufactured by Seagrave. In order to perform the necessary repairs and maintenance, BSFMD stocks Seagrave 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. Seagrave does not sell replacement parts directly from the factory; as such, customers must depend on the certified dealer network to procure replacement OEM parts.

On October 26, 2017, a Notice Inviting Bids for the purchase of Seagrave OEM parts was published in the *Pasadena Journal* and posted on the City's website, which generated notices to 378 vendors. Seven vendors downloaded the bid documents, none were located in Pasadena.

One vendor submitted a bid by the bid closing date of November 7, 2017. The bid result is as follows:

Bidder	Amount (\$)
1. Kalmikov Enterprises, Inc. Rialto, CA	\$21,031.48

Prospective bidders were asked to bid on a collection of commonly purchased parts in expected annual quantities. This collection of parts was assembled for bid comparison purposes, but does not represent the entirety of what is purchased each year. Staff reviewed the proposal and found Kalmikov Enterprises, Inc. to be a responsive and responsible bidder. The City has done business with Kalmikov Enterprises, Inc. in the past, issuing purchase orders totaling over \$50,000 in fiscal years 2016 and 2017 for parts and repair service. Staff has researched and confirmed that there are no local vendors that can provide these parts.

Based on prior years' actual expenditures for Seagrave OEM parts, staff estimates it will need an annual purchase order contract authorization of \$90,000. This annual amount includes a contingency to allow for future year price adjustments as described below. The Department of Public Works recommends that the City Council authorize a purchase order contract with Kalmikov Enterprises, Inc. for the purchase of Seagrave parts, for a three year period in an amount not-to-exceed \$270,000. At the conclusion of each contract year, the contractor may request unit price increases which shall not exceed the rate of the then current Producer Price Index for the latest available preceding 12 month period. As proposed, the contract may be extended for two additional one-year terms not-to-exceed \$90,000 annually, subject to the approval of the City Manager and without further City Council approval.

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 rules and regulations.

FISCAL IMPACT:

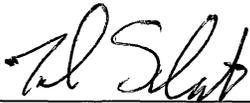
The total cost of this action is \$450,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance operating budget account 810100-51122058.

Respectfully submitted,



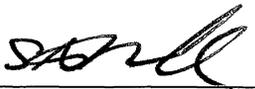
ARA MALOYAN, P.E.
Director of Public Works

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STEVE MERMELL
City Manager