



Agenda Report

July 24, 2017

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: PURCHASE ORDER CONTRACT AWARD TO THORSON GMC BUICK MOTOR COMPANY FOR AS-NEEDED LABOR AND REPAIR ON GENERAL MOTORS VEHICLES FOR A NOT-TO-EXCEED AMOUNT OF \$225,000

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 June 6, 2017 submitted by Thorson GMC Buick Motor Company in response to specifications for Certified General Motors Labor and Repair, and authorize the issuance of a purchase order contract with Thorson GMC Buick Motor Company in an amount not to exceed \$225,000 over a three-year period with the option for two additional one-year terms in the annual amount of \$75,000, at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$375,000.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) repairs and maintains the City's fleet. The City operates and maintains a fleet of over 1,100 vehicles, approximately 260 of which are manufactured by General Motors. In order to ensure that these vehicles receive necessary repairs and maintenance in a timely manner, BSFMD outsources some of the labor and repair to an outside contractor on an as-needed basis. On May 11, 2017, a Notice Inviting Bids for Certified General Motors Labor was published in the *Pasadena Journal* and posted on the City's website, which generated notices to 350 vendors. Five vendors downloaded the bid documents; additionally, the bid packet was distributed to vendors in the Los Angeles area including those located in Pasadena.

Per the bid specifications, bidders were asked to provide an hourly labor rate that they would charge the City for repairs on General Motors vehicles. Additionally, bidders were asked to provide unit prices for Original Equipment Manufactured parts expected to be included in repair orders. One vendor submitted a bid by the bid closing date of June 6, 2017. The bid result is as follows:

Bidder		Amount (\$)
1. Thorson GMC Buick	Pasadena, CA	\$117,775

The bid proposal was evaluated by BSFMD staff and Thorson GMC Buick was found to be the lowest responsive and responsible bidder. Although only one bid was received, staff recommends awarding the contract to Thorson as they are a local business; contracting with Thorson will reduce wait time and ensure timely repairs to the City's fleet. The City has done business with Thorson GMC Buick in the past, issuing purchase orders totaling over \$6,323,000 since 1997 for vehicles, parts, and repairs.

Based on prior years' actual expenditures for General Motors labor, staff estimates it will need an annual purchase order contract authorization of \$75,000. The Department of Public Works recommends that the City Council authorize a purchase order contract with Thorson GMC Buick for as-needed General Motors service and repairs, for a three year period in an amount not-to-exceed \$225,000. The contract may be extended for two additional one-year terms not-to-exceed \$75,000 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 \$225,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance operating budget account 811400-50322058.

Respectfully submitted,



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Director of Public Works

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Approved by:



STEVE MERMELL
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