



Agenda Report

October 29, 2018

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH RUSH TRUCK CENTERS OF CALIFORNIA, INC. TO PROVIDE CUMMINS PARTS FOR CUMMINS ENGINES FOR AN AMOUNT NOT-TO-EXCEED \$210,000

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 August 29, 2018 submitted by Rush Truck Centers of California, Inc.,(Rush) in response to specifications for Cummins Original Equipment Manufacturer (OEM) Engine Parts, ii) reject all other bids received, and iii) authorize the City Manager to enter into a purchase order contract with Rush for an amount not-to-exceed \$210,000 for a three-year period, inclusive of Consumer Price Index increases (CPI), and two one-year options in an amount not-to-exceed \$70,000 annually, subject to the approval of the City Manager, for a maximum purchase order length of five years and a total purchase order amount of \$350,000.

BACKGROUND:

The Department of Public Works repairs and maintains over 1,100 City vehicles and equipment. Heavy duty vehicles such as refuse packers, fire engines, street sweepers, dump trucks, and boom trucks are powered by heavy duty Cummins engines. In order to perform the necessary repairs and maintenance, the Department stocks Cummins OEM parts, such as ignition modules, actuators, turbo engine components, electronic control modules, pressure regulators and other components.

On August 2, 2018, a Notice Inviting Bids for the purchase of Cummins OEM parts was posted on the City's website, and published in the *Pasadena Journal*, which generated

notices to 519 vendors. Eight vendors downloaded the bid documents, none were located in Pasadena.

Two vendors submitted a bid by the bid closing date of August 29, 2018. The bid result is as follows:

<u>BIDDER</u>	<u>AMOUNT</u>
1. Rush Truck Centers of California, Inc., Whittier, CA	\$30,641
2. Westrux International, Inc., Santa Fe Springs, CA	\$31,875

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 proposals and found Rush to be the lowest responsive and responsible bidder. The City has done business with Rush in the past, issuing purchase orders totaling approximately \$698,000 since FY 2001 for vehicles, parts, and repair service.

Based on prior years' actual expenditures for Cummins OEM parts, staff estimates it will need an annual purchase order contract authorization of \$70,000. The Department of Public Works recommends that the City Council authorize a purchase order contract with Rush for the purchase of Cummins OEM parts, for a three-year period in an amount not-to-exceed \$210,000. At the conclusion of each contract year, the contractor may request unit price increases which shall not exceed the rate of the then current CPI for the latest available preceding 12-month period. As proposed, the contract may be extended for two additional one-year terms not-to-exceed \$70,000 annually, subject to the approval of the City Manager and without further City Council approval.

COUNCIL POLICY CONSIDERATION:

Approval of this contract supports 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 \$210,000. Funding for this fiscal year will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance operating budget account 51122058-810100.

Respectfully submitted,



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STEVE MERMELL
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