



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 H&H AUTO PARTS WHOLESALE TO PROVIDE GENERAL MOTORS AND A/C DELCO PARTS FOR FORD ENGINES FOR AN AMOUNT NOT-TO-EXCEED \$240,000

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 September 11, 2018 submitted by H&H Auto Parts Wholesale (H&H Auto Parts) in response to specifications for General Motors (GM) Original Equipment Manufacturer (OEM) and A/C Delco Engine Parts, ii) reject all other bids received, and iii) authorize the City Manager to enter into a purchase order contract with H&H Auto Parts for an amount not-to-exceed \$240,000 for a three-year period, inclusive of Consumer Price Index increases (CPI), and two one-year options in an amount not-to-exceed \$80,000 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 \$400,000.

BACKGROUND:

The Department of Public Works repairs and maintains over 1,100 City vehicles and equipment. In order to perform the necessary repairs and maintenance, the Department stocks GM OEM parts and A/C Delco parts. Parts such as, window regulators, engine sensors, door panels, remanufactured transmissions and engines, mirrors, ignition modules, and other components are necessary to stock and purchase throughout the year in order to maintain light, medium and heavy duty vehicles.

On August 29, 2018, a Notice Inviting Bids for the purchase of GM OEM and A/C Delco parts was posted on the City's website, and published in the *Pasadena Journal*, which

generated notices to 485 vendors. Seven vendors downloaded the bid documents, none were located in Pasadena.

Three vendors submitted a bid by the bid closing date of September 11, 2018. The bid result is as follows:

<u>BIDDER</u>	<u>AMOUNT</u>
1. H&H Auto Part Wholesale, Arleta, CA	\$32,185
2. Colonial Equipment, Monrovia, MD	\$33,478
3. Warren Distributing, Inc., N. Hollywood, CA	\$35,126

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 H&H Auto Parts to be the lowest responsive and responsible bidder. The City has done business with H&H Auto Parts in the past, issuing purchase orders totaling approximately \$52,000 since FY 2015 for vehicles, parts, and repair service.

Based on prior years' actual expenditures for GM OEM and A/C Delco parts, staff estimates it will need an annual purchase order contract authorization of \$80,000. Due to an aging fleet, BSFMD has replaced three transmissions in ambulances this year and expects to replace additional transmissions in the coming years. The Department of Public Works recommends that the City Council authorize a purchase order contract with H&H Auto Parts for the purchase of GM OEM and A/C Delco parts, for a three-year period in an amount not-to-exceed \$240,000. 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 \$80,000 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 \$240,000. 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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