

Agenda Report

November 23, 2020

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: **CONTRACT AWARD TO RITE-WAY AXLE AND SUSPENSION, INC. FOR HEAVY DUTY TRUCK SPRING SUSPENSION AND ALIGNMENT SERVICE FOR A NOT-TO-EXCEED AMOUNT OF \$275,000 FOR UP TO FIVE YEARS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action is exempt under 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 October 13, 2020, submitted by Rite-Way Axle and Suspension, Inc (Rite-Way) in response to specifications for Heavy Duty Truck Spring Suspension and Alignment Service; ii) reject all other bids received; and iii) authorize the City Manager to enter into a contract with Rite-Way for an amount not to exceed \$165,000 (which includes a \$12,375 contingency) over a three-year period with the option for two additional one-year extensions in the annual amount of \$55,000 (which includes a \$4,125 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a total contract amount of \$275,000.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division repairs and maintains over 1,100 city vehicles and equipment. While City employees perform a large range of maintenance and repairs on City-owned vehicles, certain repair jobs such as frame straightening, suspension repair and alignment of heavy duty trucks must be completed by specialized third-party vendors using heavy duty equipment and alignment racks.

The City has over 100 vehicles and equipment with a gross vehicle weight rating of 14,000lbs, and are therefore categorized in industry standards as heavy duty. The

City's heavy duty vehicles are mainly operated by public safety, public works, and utility crews to perform essential community and public services. This includes fire trucks, dump trucks, garbage trucks, sewer trucks, street sweepers, boom trucks, cranes, aerial trucks, chipper trucks, front loaders, water tank trucks, and water jetter trucks. Contracting with a vendor who is adequately equipped to service the suspension and alignment of heavy duty vehicles is critically important to keep the City's fleet in good working condition.

On September 17, 2020, a Notice Inviting Bids for Heavy Duty Truck Spring Suspension and Alignment Service was published in the paper as well as posted on PlanetBids. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of seven vendors downloaded the specifications of which none were local. Three bids were received by the closing date of October 13, 2020 from non-local firms. Staff also referenced a list of local vendors in the City's business license database as well as online web searches in an attempt to reach potential local vendors that perform heavy duty truck suspension and alignment services. Of the businesses notified, none of the local vendors could provide this specialized service as outlined in the bid specification.

BID RESULTS:

Bid amounts were based on hourly labor rates for spring, suspension, and alignment related services on heavy duty vehicles, in estimated annual quantities.

Bids received by the closing date of October 13, 2020 are as follows:

| <u>Bidder</u> | <u>Amount (\$)</u> |
|--|--------------------|
| 1. Rite-Way Axle and Suspension, Inc. Sun Valley, CA | \$50,875 |
| 2. Diesel Fleet Source, Inc. Azusa, CA | \$51,000 |
| 3. 3L Executive Service South El Monte, CA | Non-Responsive |

Rite-Way has performed automotive repair work for the City of Pasadena since FY 2018 and has received purchase order awards in the amount of \$76,862 cumulatively. Based on estimated actual need for these specific services, the annual amount needed is estimated at \$55,000.

Since Rite-Way is the lowest responsive and responsible bidder, staff recommends that Rite-Way be awarded a three year contract term with an option for two one-year extension period, renewable at the discretion of the City Manager.

The contract will be set out at follows:

| | Year 1 to 3 | Year 4 Optional 1 st Extension | Year 5 Optional 2 nd Extension |
|-----------------------|------------------|--|--|
| Base Bid | \$ 152,625 | \$ 50,875 | \$ 50,875 |
| Contingency Allowance | <u>\$ 12,375</u> | <u>\$ 4,125</u> | <u>\$ 4,125</u> |
| | \$ 165,000 | \$ 55,000 | \$ 55,000 |
| | | TOTAL | <u>\$275,000</u> |

The contingency allowance is to cover estimated increase in repair services and Consumer Price Index adjustments.

COUNCIL POLICY CONSIDERATION:

This authorization supports the City Council's strategic goals to maintain fiscal responsibility and ensure public safety.

ENVIRONMENTAL IMPACT:

This procurement complies with all South Coast Air Quality Management District rules and regulations.

FISCAL IMPACT:

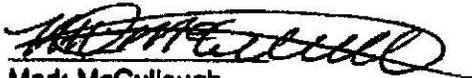
The cost of this contract is \$165,000 and the total cost of this action will be \$275,000. Funding will be addressed by the utilization of existing budgeted appropriations from the Fleet Maintenance & Repair Fund budget account 51122058-823600. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



ARA MALOYAN, P.E.
Director of Public Works

Prepared by:



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Approved by:



STEVE MERMELL
City Manager