

Agenda Report

April 4, 2022

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: **CONTRACT AWARD TO MARCO INDUSTRIES, INC. (DBA: MAR-CO EQUIPMENT COMPANY, INC.) FOR SERVICE, REPAIR, AND MAINTENANCE OF TYMCO STREET SWEEPERS IN A GRAND TOTAL AMOUNT NOT-TO-EXCEED \$412,500 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 February 25, 2022, submitted by Marco Industries, Inc., dba Mar-co Equipment Company, Inc. (Mar-co) for service, repair, and maintenance of Tymco street sweepers; ii) authorize the City Manager to enter into a contract with Mar-co for an amount not-to-exceed \$247,500 (which includes a \$22,500 contingency) over a three-year period; and iii) authorize the City Manager to extend the contract for up to two additional one-year extensions, in the annual amount of \$82,500 (which includes a \$7,500 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a grand total contract amount of \$412,500.

BACKGROUND:

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) repairs and maintains over 1,100 city vehicles and equipment, including street sweepers. The City currently operates these sweepers based on a biweekly schedule comprised of 38 routes. Out of the seven street sweepers in the City's fleet, five are manufactured by Tymco. These are heavily and consistently operated around the clock as part of the City's street sweeping program.

While City employees continue to perform a range of maintenance and repairs on City-owned vehicles, BSFMD outsources specialized and highly technical work to authorized vendors on an as-needed basis. This ensures timeliness of repairs and provides availability of the vehicles with minimal downtime, which is critical for street sweeping services for the community.

On February 9, 2022, a Notice Inviting Bids for Service, Repair, and Maintenance of Tymco Street Sweepers was posted on PlanetBids as well as published in the local paper. The posting generated notices to all vendors who had previously registered with the City for this particular commodity class. Staff 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 can provide authorized Tymco street sweeper repair services. No local vendors were identified.

A total of 10 vendors downloaded the specifications of which none were local. One non-local bid was received by the February 28, 2022 bid opening date.

BID RESULT:

Per bid specification, bidders were asked to provide hourly labor rate charge for authorized repairs of Tymco street sweepers and a percentage discount to the parts list price. This discount will be applied at the time of purchase for each automotive part included in a repair order placed by the City throughout the life of the contract. Bid results are based on sample repairs for bid comparison purposes only. Actual contract pricing is based on budget availability and estimated need.

The bid result is as follows:

Bidder	Bid Amount (\$)
1. Marco Industries, Inc. Pomona, CA	\$54,375

Mar-co, located in Pomona, CA, has been operating for over 50 years. The City has previously done business with Mar-co, issuing purchase orders totaling approximately \$1.27 million since Fiscal Year 2015. Based on prior years' actual expenditures and increasing service repair needs for the five Tymco street sweepers, staff estimates an annual need of \$82,500.

As the only bidder, Mar-co is the lowest responsive and responsible bidder. Staff therefore recommends that this vendor be awarded a three-year contract term with an option for two one-year extension periods, renewable at the discretion of the City Manager. This proposed contract with Mar-Co fully complies with the Competitive Bidding and Living Wage Ordinances.

The contract will be set out as follows:

	Year 1 to 3	Year 4 Optional 1 st Extension	Year 5 Optional 2 nd Extension
Base Bid	\$225,000	\$75,000	\$75,000
Contingency Allowance	<u>22,500</u>	<u>7,500</u>	<u>7,500</u>
	\$247,500	\$82,500	\$82,500
		TOTAL	<u>\$412,500</u>

The contingency allowance is to cover Consumer Price Index adjustments as well as to address increasing repairs on the aging fleet.

COUNCIL POLICY CONSIDERATION:

This contract supports the City Council's goals to maintain and enhance public facilities and infrastructure; and to ensure public safety.

ENVIRONMENTAL IMPACT:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have a significant effect on the environment.

FISCAL IMPACT:

The cost of this contract is \$247,500 and the total cost of this action is \$412,500. Funding will be addressed by the utilization of existing budgeted appropriations from the Fleet Maintenance 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,



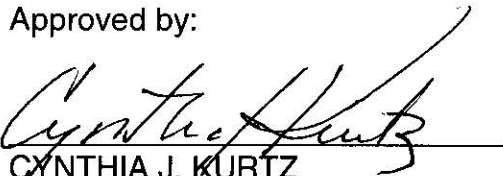
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Approved by:



CYNTHIA J. KURTZ
Interim City Manager