

# Agenda Report

April 4, 2022

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Public Works  
**SUBJECT:** **AUTHORIZE TO INCREASE CONTRACT AMOUNT WITH BETTS COMPANY (DBA BETTS TRUCK PARTS AND SERVICE) BY \$600,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$875,000 UP TO FIVE YEARS FOR HEAVY DUTY TRUCK SPRING SUSPENSION AND ALIGNMENT SERVICE**

## **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;
2. Authorize the City Manager to increase contract amount with Betts Company dba Betts Truck Parts and Service by \$120,000 annually for continued heavy duty truck spring suspension and alignment services, thereby increasing the not-to-exceed amount from \$165,000 to \$525,000 for the initial three-year term, and increasing the two additional one-year extension options from an annual amount of \$55,000 to \$175,000, with a revised total contract amount of \$875,000 for the maximum total contract length of five years; and
3. To the extent the contact amendment be considered a separate procurement subject to the Competitive Bidding and Competitive Selection process, grant the proposed exemption from Competitive Bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services and the Competitive Selection process pursuant to Pasadena Municipal Code (PMC) 4.08.049(B), contracts for which the City's best interests are served.

## **BACKGROUND:**

On November 23, 2020, the City Council authorized a contract with Rite-Way Axle and Suspension, Inc. in the amount of \$275,000 for a five year contract as a result of a competitive bidding process for heavy duty spring suspension and alignment services.

This vendor was tasked to perform these repairs on City-owned vehicles especially for major services that necessitate the use of their specialized heavy duty equipment and alignment racks. Rite Way Axle and Suspension, Inc., located in Sun Valley, CA has since been acquired by Betts Company dba Betts Truck Parts & Service (Betts). Betts will continue operating their services at the same shop without moving its operations to their headquarters in Fresno, CA. Contract 31932-0 has been assigned to the new owners, Betts.

This proposed contract increase is prompted by the recent price hikes for repair parts and compounded by the outcome of the State mandated Biennial Inspection of Terminals (BIT) under the jurisdiction of the California Highway Patrol. The lowered weight threshold inspection criteria and increased inspection frequency nearly doubled the City's fleet subject to the BIT inspections with a shorter timeframe to comply. An additional 135 heavy duty trucks are now subject to this modified mandate resulting in 540 more inspections to be performed annually.

BSFMD staff has been expanding its suspension and alignment service program to address the significant increase in the count and intervals for related maintenance and repairs in order to successfully pass the mandated periodic inspections within the compliance timeframe. These are especially critical for the City's heavy duty vehicles such as fire trucks, dump trucks, trash trucks, sewer trucks, street sweepers, boom trucks, cranes, aerial trucks, chipper trucks, front loaders, water tank trucks, and jetter trucks. Services to these heavy duty trucks are costly and can range from \$6,000 to \$12,000 for suspension overhaul alone. Although labor rate charges remain per bid pricing, the repair and replacement parts have significantly increased by 45% mainly due to the market price increases in metal. This contract increase will, therefore, provide sufficient funding for the City to address the impact of the modified regulations and maintain compliance. This will also support the City's commitment to staff by providing safe and compliant vehicles while performing their respective services to the community.

Current expenditures to date and projected costs will exceed the current not-to-exceed contract amount of \$165,000 for the three year contract term. Staff is, therefore, recommending an increase by \$120,000 annually. The proposed total not-to-exceed contract amount will be \$525,000 for the initial three year term expiring in March 2024; and the proposed annual amount will be \$175,000 for each of the two additional one-year extensions.

The proposed contract increase will be set out at follows:

	Year 1 to 3	Year 4 Optional 1 <sup>st</sup> Extension	Year 5 Optional 2 <sup>nd</sup> Extension
Current Amount	\$165,000	\$ 55,000	\$ 55,000
Proposed Increase	<u>\$360,000</u>	<u>\$120,000</u>	<u>\$120,000</u>
Revised Sub-Total	\$525,000	\$175,000	\$175,000
		<b>TOTAL</b>	<b><u>\$875,000</u></b>

**COUNCIL POLICY CONSIDERATION:**

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

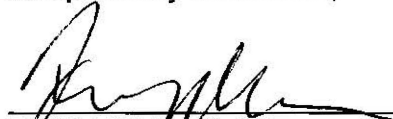
**ENVIRONMENTAL IMPACT:**

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

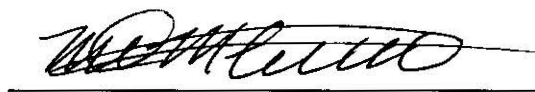
**FISCAL IMPACT:**

The revised total cost of this contract is \$525,000 and the revised total cost of this action will be \$875,000. 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.

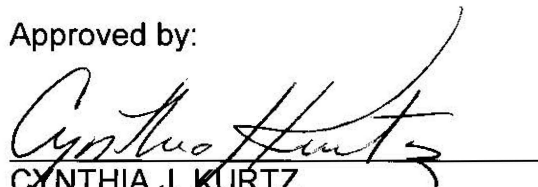
Respectfully submitted,

  
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TONY OLMOS, P.E.  
Director of Public Works

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Approved by:

  
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