

# Agenda Report

July 11, 2022

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Public Works  
**SUBJECT:** **AUTHORIZE PURCHASE ORDER CONTRACT WITH BOB WONDRIES MOTORS (DBA: BOB WONDRIES FORD) TO FURNISH AND DELIVER FORD AUTOMOTIVE PARTS FOR AN AMOUNT NOT-TO- EXCEED \$1,250,000 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 May 20, 2022, submitted by Bob Wondries Motors dba Bob Wondries Ford (Wondries) for furnishing and delivering Ford automotive parts; ii) reject all other bids; iii) authorize a purchase order contract with Wondries for an amount not-to-exceed \$750,000 (which includes a \$75,000 contingency) over a three-year period, with the option for two additional one-year extensions, in the annual amount of \$250,000 (which includes a \$25,000 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a grand total contract amount of \$1,250,000.

## **BACKGROUND:**

The Department of Public Works, Building Systems and Fleet Management Division (BSFMD) repairs and maintains the City's fleet of over 1,100 vehicles and equipment, of which approximately 360 are manufactured by Ford. The City's fleet of Ford vehicles include service trucks and police cruisers that perform vital and diverse public service tasks in the field. As such, it is necessary for BSFMD to purchase and stock replacement automotive parts and supplies for use in repair and maintenance work on Ford vehicles.

On May 18, 2022 a Notice Inviting Bids to Furnish and Deliver Ford Automotive Parts was posted on PlanetBids and published in the local paper on May 26, 2022. The

posting generated notices to all vendors who have 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 the scope of work detailed in the solicitation; no such local vendors were located.

A total of 15 vendors downloaded the specifications of which none were local. Six non-local bids were received by the June 6, 2022 bid opening date.

**BID RESULT:**

Ford Motor Company establishes their parts price list schedule to its dealers. This dealer cost is normally updated quarterly. Per the bid specifications, bidders were asked to provide the maximum percentage markup against the dealer cost for charging the City on all purchases of Ford automotive parts.

A universal parts cost markup provides a uniform and consistent criteria by which to evaluate the bids especially since the parts potentially needed by the City vary by year and are numbered in the thousands. Moreover, this ensures fair pricing during current market volatility as the mark-up is firm and will be applied against the dealer cost at the time of purchase by the City for the full duration of the contract. For bid purposes, all vendors provided their bid pricing based on an estimated cost of \$100,000 with their mark-up included.

Six vendors submitted bids by the bid closing date of June 6, 2022. The bid results are as follows:

Bidder		Markup	Amount (\$)
1. Bob Wondries Motors	Alhambra, CA	+2.5%	\$102,500
2. Colley Auto Cars, Inc.	Glendora, CA	+5%	\$105,000
3. South Bay Ford	Hawthorne, CA	+8%	\$108,000
4. Los Feliz Ford	Glendale, CA	+9%	\$109,000
5. Ford of Downtown L.A.	Los Angeles, CA	+10%	\$110,000
6. Puente Hills Ford	City of Industry, CA	+10%	\$110,000

Wondries, located in Alhambra, CA, has been operating for over 65 years. The City has previously done business with Wondries, issuing purchase orders totaling approximately \$620,798 since Fiscal Year 2016. Based on prior years' actual expenditures and increasing service repair needs for the Ford vehicles in the fleet, staff estimates an annual need of \$250,000.

Wondries 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 Wondries 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 <sup>st</sup> Extension	Year 5 Optional 2 <sup>nd</sup> Extension
Base Bid	\$675,000	\$225,000	\$225,000
Contingency Allowance	<u>\$ 75,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
	\$750,000	\$250,000	\$250,000
		<b>TOTAL</b>	<b>\$1,250,000</b>

The contingency allowance is to address estimated market fluctuations during the life of the contract. Current pricing volatility is expected to affect the dealer cost that is used as the baseline by the vendor to apply the firm mark-up for establishing the City's purchase price.

**COUNCIL POLICY CONSIDERATION:**

This contract supports the City Council's goals to maintain fiscal responsibility and stability; to increase conservation and sustainability; 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 an effect on the environment.

**FISCAL IMPACT:**

The cost of the contract is \$750,000 and the total cost of this action is \$1,250,000. Funding will be addressed by the utilization of existing budgeted appropriations from the Fleet Maintenance and Repair Fund budget account (51122058-810100). 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

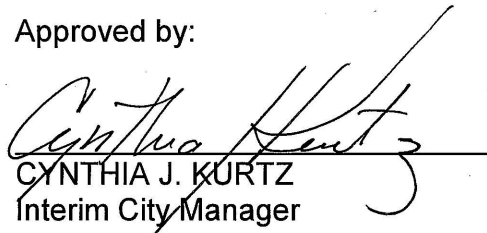
Prepared by:



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Approved by:



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CYNTHIA J. KURTZ  
Interim City Manager