

Agenda Report

January 23, 2023

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: CONTRACT AWARD TO DEROTIC, LLC (DBA: DEROTIC EMERGENCY EQUIPMENT) TO FURNISH SEAGRAVE FIRE TRUCK OEM PARTS FOR AN AMOUNT NOT-TO-EXCEED \$825,000 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. Accept the bid dated December 13, 2022 submitted by Derotic, LLC DBA Derotic Emergency Equipment (Derotic), in response to the specifications for Seagrave Certified Original Equipment Manufacturer (OEM) Parts; reject all other bids, and authorize the City Manager to enter into a contract for an amount not-to-exceed \$495,000 (which includes a \$45,000 contingency), with the option for two additional one-year extensions, in the annual amount of \$165,000 (which includes a \$15,000 contingency), at the discretion of the City Manager, for a maximum total contract length of five years and a grand total contract amount of \$825,000.

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, including fifteen fire trucks manufactured by Seagrave. As such, it is necessary for BSFMD to purchase and stock replacement automotive parts and supplies and related items for use in repair and maintenance for these specific fire trucks.

On December 8, 2022, a Notice Inviting Bids for Seagrave Certified OEM Parts was posted on OpenGov and was also published in the local paper. 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. Local companies contacted regarding the bidding opportunity did not submit bids. A total of six vendors downloaded the specifications of which none were local.

BID RESULT:

Per the bid specifications, bidders were asked to provide a universal discount against the manufacturer's list price for charging the City on purchases for all Seagrave parts for the life of the contract. For bid purposes only, all bidders provided their base pricing based on an estimated cost of \$100,000 with their discount included.

Three non-local bids were received by the December 20, 2022 bid opening date. Two bidders were deemed non-responsive due to failure to meet the minimum qualifications as per bid specifications. The bid results are as follows:

Bidder		Amount (\$)
1. Derotic, LLC	El Dorado Hills, CA	\$90,000
2. Fire Apparatus Solutions	Rialto, CA	Non-Responsive
3. Southern California Fleet Services, Inc.	Corona, CA	Non-Responsive

The City has previously done business with Derotic, issuing purchase orders totaling \$54,990 since Fiscal Year 2022 for Seagrave fire truck and Polaris vehicle repair, parts, and supplies. Derotic is a woman-owned microbusiness established in 2015. As an authorized Seagrave Fire Apparatus dealer, they have worked with other fire agencies such as City of Los Angeles, City of Long Beach, and Sacramento Metropolitan. Based on prior years' actual expenditures for parts, staff estimates an annual need of \$165,000 to service the City's fleet of Seagrave fire trucks that are mostly over ten years old.

Derotic 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 Derotic 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	\$450,000	\$150,000	\$150,000
Contingency Allowance	<u>\$ 45,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
	\$495,000	\$165,000	\$165,000
		TOTAL	\$825,000

The contingency allowance is to address any commodity price index fluctuation during the life of the contract.

COUNCIL POLICY CONSIDERATION:

By providing the departments with the proper equipment to perform their function, the proposed purchase furthers the City Council's Strategic Plan goals to ensure public safety, increase conservation and sustainability, and maintain fiscal responsibility and stability.

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 total cost of this contract is \$495,000 and the total cost of this action is \$825,000. Funding for this project will be addressed by utilization of existing budgeted appropriations in the Fleet Maintenance Fund accounts 51122058-810100. There is no anticipated impact to other operational programs, to the General Fund, or capital projects as a result of this action.

Respectfully submitted,




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Approved by:



MIGUEL MARQUEZ
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