



# Agenda Report

July 22, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH H&H AUTO PARTS WHOLESALE FOR GENERAL MOTORS BRAND REPLACEMENT 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 the action proposed herein is covered by the commonsense exemption set forth in State CEQA Guidelines Section 15061(b)(3) as CEQA only applies to projects that may have a significant effect on the environment; and
2. Authorize the City Manager to enter into a three-year contract with H&H Auto Parts Wholesale (H&H Auto) in response to the specifications for General Motors Original Equipment Manufacturer (OEM) Parts, for an amount not-to-exceed \$495,000 which includes the base contract amount of \$450,000 and a contingency of \$45,000 to provide for any unanticipated or additional as needed parts, with the option for two additional one-year extensions, in the annual amount of \$165,000 which includes the base contract amount of \$150,000 and a contingency of \$15,000 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, whichever occurs first.

## **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 cars and trucks manufactured by General Motors. As such, it is necessary for BSFMD to purchase and stock replacement automotive parts, supplies, and related items for use in repair and maintenance on General Motors vehicles.

A Notice Inviting Bids for General Motors OEM Parts was posted on OpenGov and was published in the local paper on May 2, 2024. The posting generated notices to all vendors who have previously registered with the City of Pasadena for this particular

commodity class. A total of 10 vendors downloaded the specifications of which none were local. One non-local bid was received by the May 21, 2024, bid opening date.

Bid Results:

Per the bid specification and for bid evaluation purposes, bidders were asked to provide unit costs for a common list of 20 General Motors OEM parts typically purchased by the City yearly for repairs and maintenance.

The bid results are as follows:

Bidder	Amount (\$)
1. H&H Auto Parts Wholesale Arleta, CA	\$10,543

H&H Auto is the sole responsive and responsible bidder. The proposed contract with H&H Auto fully complies with the Competitive Bidding and Living Wage Ordinances. Staff 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.

The City has previously done business with H&H Auto, issuing purchase orders totaling \$643,668 for parts and supplies since Fiscal Year 2016. Based on prior years' actual expenditures for these items, staff estimates an annual need of \$150,000.

The proposed contract will be established as follows:

	Year 1 to 3	Year 4 Optional 1 <sup>st</sup> Extension	Year 5 Optional 2 <sup>nd</sup> 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
		<b>TOTAL</b>	<b>\$825,000</b>

The 10% contingency allows for additional parts needed for unforeseen repairs and to address any commodity price index fluctuations during the life of the contract.

**COUNCIL POLICY CONSIDERATION:**

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:**

The proposed action has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the Commonsense Exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed contract would make materials available for automotive repairs therefore, it will have no adverse impact on the environment.

**FISCAL IMPACT:**

The total cost of this contract including contingency and extensions is \$825,000 over five years.

The department will utilize existing budgeted appropriations in the Fleet Maintenance Fund (511) to support the first year of contract costs. Future contract costs will be budgeted as part of the department's annual operating budget. There is no impact to the General Fund.

Respectfully submitted,



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Prepared by:



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Approved by:



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