Agenda Report

November 17, 2026

TO: Honorable Mayor and City Council

FROM: Department of Public Works

SUBJECT: **AUTHORIZE THE ASSIGNMENT OF CONTRACT 32513 FROM DEROTIC LLC TO AMERIT FLEET SOLUTIONS INC FOR THE PURCHASE OF SEAGRAVE ORIGINAL EQUIPMENT MANUFACTURER PARTS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(C)(2), 15060(C)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;

2. Authorize the City Manager to execute an agreement assigning Contract Number 32513 from Derotic, LLC to Amerit Fleet Solutions, Inc. for the purchase of Seagrave original equipment manufacturer parts, with no increase to the existing contract amount of $825,000.

BACKGROUND:

On January 23, 2023, City Council approved Contract No. 32513 with Derotic, LLC for the purchase of Seagrave original equipment manufacturer (OEM) parts, for an amount not-to-exceed $825,000 for the Department of Public Works, Building Systems and Fleet Management Division (BSFMD). The contract was established for an initial three-year term, with two additional one-year extension options. In August 2025, Amerit Fleet Solutions, Inc. acquired Derotic, LLC, which remains a wholly owned subsidiary of Amerit. In July 2026, the Derotic brand was discontinued, and its operations were integrated into Amerit's Fleet Solutions team.

Pursuant to Section 16.0 of Contract No. 32513, "Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of City which may be withheld in City's sole discretion." In accordance with this provision, Derotic and

Amerit wish to obtain the City's consent to the agreement. The action would not result in any changes to the City in that the terms of the agreement would remain the same.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's goal of maintaining fiscal responsibility and stability by ensuring continuity in the procurement of Seagrave OEM parts necessary for the maintenance and repair of City vehicles and equipment.

ENVIRONMENTAL IMPACT:

The action proposed herein is not subject to the California Environmental Quality Act ("CEQA") in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), and 15378. The proposed assignment is an administrative action that does not involve any changes to the existing contract scope and will not result in direct or indirect physical changes to the environment. Therefore, no environmental document is required.

FISCAL IMPACT:

The proposed action will have no additional fiscal impact, as there is no increase to the existing contract amount of $825,000 is requested. There is no impact to the General Fund.

Respectfully submitted,

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Director of Public Works

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Approved by:

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