



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** G. Harold Duffey  
Oakland Public Works  
Director

**SUBJECT:** SUPPLEMENTAL REPORT -  
Contract For Heavy Equipment Repair  
and Service

**DATE:** December 14, 2022

City Administrator Approval

Date: Dec 16, 2022

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution: (1) Awarding A Contract To Kelly's Truck Repair, The Lowest Responsive And Responsible Bidder, To Provide Vehicle Diagnostic And Repair Services In The Amount Not-To-Exceed \$650,000 Per Year For A Two-Year Term, November 1, 2022 To October 30, 2024, For A Total Not-To-Exceed Contract Amount Of \$1,300,000 Over A Two Year Term; And (2) Waiving The Local Business/Small Local Business Enterprise Program Utilization Requirement.**

## **REASON FOR SUPPLEMENTAL**

As requested by the Public Works Committee (PWC) at the December 12, 2022 meeting, this repair and maintenance contract is to be limited to (2) two years only, eliminating the ability to extend the contract without returning to City Council. Additionally, The PWC requested additional information regarding the outreach to Oakland local businesses as part of the Request for Qualification (RFQ) processes.

## **EXECUTIVE SUMMARY**

Adoption of the proposed resolution, with the recommendations of the PWC, for enactment of a service agreement with Kelly's Truck Repair will ensure the City of Oakland's critically needed heavy equipment, including dump trucks, refuse packers, cranes, street sweepers and other heavy equipment types will receive repairs and maintenance required for operational safety of both the operators and the public.

This report supplements the [Agenda Report dated November 14, 2022](#).

## **BACKGROUND / LEGISLATIVE HISTORY**

The City of Oakland (City) currently maintains a fleet of approximately 1,800 vehicles and equipment comprised of both staff and emergency response vehicles, with nearly 700 of these

assets requiring maintenance and repairs by Heavy Equipment Mechanics. Within Oakland Public Works (OPW), the Equipment Services Division's Heavy Equipment Shop is the primary source for providing the required maintenance and repairs for these assets. During peak demands or times of excessive workload, the Equipment Services Division will rely on vendors who specialize in heavy equipment repairs to provide support and services to reduce the equipment's out-of-service or downtime. Equipment downtime due to routine preventative maintenance or mechanical breakdown in the field must be minimized as much as possible to ensure response readiness. OPW's Bureau of Maintenance and Internal Services, Equipment Service Division uses this contract to complete work on equipment in need of maintenance and repairs to ensure their operational safety for the City's staff and public.

To support the OPW Equipment Services Division, on August 19, 2022, Specification No. 22-928-00/ RFQ No. 269219 to provide vehicle diagnostic and repair services to City owned light and heavy-duty vehicles was issued.

Between September 1, 2022, and September 6, 2022, the City Clerk's Office received two (2) bid proposals for Specification No. 22-928-00/RFQ No. 269219 to provide vehicle diagnostic and repair services to City owned light and heavy-duty vehicles. Neither respondent met the Local Business Enterprise/Small Local Business Enterprise (LBE/SLBE) Program requirements, and based on a panel review, Kelly's Truck Repair was deemed the lowest responsive and responsible bidder, and thus qualified to provide vehicle diagnostic and repair services to City owned light and heavy-duty vehicles.

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to award a contract to Kelly's Truck Repair, the most responsive and responsible bid proposer, a non-local business enterprise to provide vehicle diagnostic and repair services in the amount not-to-exceed \$650,000 per year for a two one-year term, November 1, 2022 to October 30, 2024, for a total not-to-exceed contract amount of \$1,300,000 over a two year term and waive the LBE/SLBE Program utilization requirement, as discussed further below.

The proposed resolution supports the Citywide Priority of a **vibrant, sustainable Infrastructure**, by providing staff with properly maintained and repaired equipment which enables staff to perform the required field work throughout the City, providing essential services for the City's residents while keeping both the operators and members of the public safe.

### **ANALYSIS AND POLICY ALTERNATIVES**

Ordinance No. 13640 C.M.S. and 13647 C.M.S. requires a minimum 50-percent (50%) LBE/SLBE participation for all purchase of commodities, goods and associated services for contracts valued at or over fifty thousand dollars (\$50,000) when there are at least three certified business listed in the industry, trade, or profession that constitutes a major category of work. The OMC also allows for waiver of the City's LBE/SLBE requirements due to a lack or limited availability of SLBEs or LBEs pursuant to Part I of Oakland's Local and Small Local Business Enterprise Program guidelines adopted by Ordinance No. 13647 C.M.S.

The PWC asked that staff describe in more detail the efforts to contract locally and meet the LBE/SLBE requirements.

Prior to issuing the RFP, staff searched the City's certified local and small local business database, which did not produce any certified LBE/SLBEs that can provide the vehicle diagnostic and repair services to City owned light and heavy-duty vehicles and provide the products or perform the services that are required under this contract. Staff did, however, identify four local businesses, and specifically sent the RFP to those businesses as a targeted effort to increase local business participation.

The RFP was also advertised in the local newspaper (Oakland Tribune/East Bay Times), with the intent of reaching potential LBE/SLBE contractors in Black, Indigenous, People of Color (BIPOC) communities and other contractors with relevant experience, license(s), and/or certification(s). The RFP was also posted on iSupplier which is the City's approved Procure to Pay online application system. The City utilizes this application to source materials such as RFPs, Request for Qualifications, Notice Inviting Bids, and to collect electronic bids and RFPs online. All registered businesses have full control of their business profile, including staff access and products and services provided. They can apply for Local Business Enterprise certification and view purchase orders and payment status. All registered businesses have immediate access to bids and RFPs electronically at their convenience. iSupplier is administered by DWES, and issued through Oracle Sourcing, which is an enterprise application that drives optimized sourcing through online collaboration and negotiation. All business enterprises were contacted either by email or by phone seeking participation prior to the upcoming solicitation. Seven (7) days after publication, all invitees were contacted again seeking participation. Staff offered one-on-one help to all firms if they needed assistance with submitting bid proposals in iSupplier via Zoom/phone call.

Of the two bid proposals that were submitted, neither was a certified LBE/SLBE. The recommended contractor, Kelly's Truck Repair, located in San Leandro is not using any subcontractors, which is characteristic across the vehicle repair industry in both light and medium/heavy duty shops. Sub-contracting, while common in construction and public projects is not a common practice in the auto/truck repair industry with the exception of some specialty work such as air-conditioning, front-end alignment, radiator repair, welding, etc. Requiring a percentage participation of sub-contracted vendors is additionally problematic in this industry as it is impossible to predict the frequency, volume, potential cost, and the nature of required repair work even if a potential bidder sub-contracted with LBE/SLBE vendors for the previously mentioned specialty work. Thus, staff requests the waiver the LBE/SLBE utilization requirements for this proposed contract award.

OPW staff continue to work with Purchasing to identify potential LBE/SLBE vendors for notification and inclusion in upcoming RFP opportunities to support the service, repair and maintenance needs of the City's vehicle and equipment fleet, as well as other OPW contract needs. Other potential areas of opportunity to expand inclusion of LBE/SLBE vendor participation include the Minority Preferred Small Local Business Program as per OMC 2.04.045.B, and subject for potential multiple award bid structuring. OPW staff have also trained staff perform vendor assistance for enrolling in iSupplier and responding to City contract opportunities, however staff turnover and difficulty filling vacancies have significantly reduced the effectiveness of the vendor liaison efforts.

### **FISCAL IMPACT**

All proposed contract expenditure allocations shall be expensed to the OPW's Bureau of Maintenance and Internal Services, Equipment Services Division Fund (4100) Equipment Services Administration System Organization (30541), Repair, and Maintenance: Miscellaneous (54619). Funding for future years will be included in the baseline budget for Oakland Public Works, contingent upon the availability of funding.

### **Proposed Contract Purchase Agreement for Heavy Equipment Repair and Service**

<b>Project Year</b>	<b>Cumulative Contract Amount</b>
<b>2022-2023</b>	<b>\$650,000</b>
<b>2023-2024</b>	<b>\$650,000</b>
<b>Grand Total:</b>	<b><u>\$1,300,000</u></b>

### **PUBLIC OUTREACH / INTEREST**

Prior to the publication of the RFQ, staff conducted a search to identify Oakland-based business enterprises that had the capacity to perform the basic requirements set forth in the RFQ. Four (4) local Oakland business enterprises were identified. All business enterprises were contacted either by email or by phone seeking participation prior to the upcoming solicitation. Staff searched Oracle with NIGP code 928 (Equipment Maintenance and Repair Services for Automobiles, Trucks, Trailers Transit Buses and Other. Staff also searched Google using 'Truck Repair in Oakland, CA', and out of 19 potential firms listed, only four (4) met the Minimum Qualifications and/or Technical Specifications.

The RFQ notice was advertised in the local newspaper, published on the City's website, and issued through Oracle Sourcing. Seven (7) days after publication, all invitees were contacted again seeking participation. Staff offered one-on-one help to all firms if they needed assistance with submitting bid proposals in iSupplier via Zoom/phone call.

### **COORDINATION**

OPW Bureau of Maintenance and Internal Services, Equipment Services Division worked with the City's Controller's Bureau Purchasing Section, the City's Budget Bureau, and the City Attorney's Office in preparation of this report.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Prompt repair of the City's fleet allows the work of the City to continue to support economic. There are no economic impact concerns associated with this report.

**Environmental:** It is essential that adequate repair and maintenance capabilities are maintained (including contract vendors) to keep the City's fleet of low-emission and advanced

technology vehicles in operation and supporting compliance with the City's Green Fleet Policy, Environmentally Preferable Purchasing Policy, and the Equitable Climate Action Plan (ECAP). This includes servicing and maintaining mandatory Diesel Particulate Filter (DPF) exhaust emission scrubbing systems as well as repairing and servicing low carbon sustainable fueled vehicles powered by Renewable Natural Gas (RNG) and other clean fuels technologies in use by the City. Additionally, not having adequate equipment repair and maintenance support capabilities will hinder deployment of additional clean air vehicle and equipment solutions.

**Race & Equity:** There are no race and equity opportunities associated with this report.

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council adopt a resolution: (1) Awarding a contract to Kelly's Truck Repair, the lowest responsive and responsible bidder, to provide vehicle diagnostic and repair services in the amount not-to-exceed \$650,000.00 per year for a two-year term, November 1, 2022 to October 30, 2024, for a total not-to-exceed contract amount of \$1,300,000 over a two year term, without return to City Council; and (2) Waiving the Local Business/Small Local Business Enterprise Program Utilization Requirement.

For questions regarding this report, please contact Joey Williams, Equipment Services Manager, at (510) 615-5489.

Respectfully submitted,



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