



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 FEB 27 PM 4:44

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Jason Mitchell
Director, Public Works

SUBJECT: Amendment to Ford Store Parts and
Services Contract

DATE: February 11, 2019

City Administrator Approval

Date:

2/26/19

RECOMMENDATION

Staff Recommends That the City Council Adopt A Resolution Authorizing:

(1) An Amendment Of The Agreement With The Ford Store For The Purchase Of Parts And Service, To Increase The Annual Contract Authority From An Amount Not To Exceed Five Hundred Thousand Dollars (\$500,000.00), To An Amount Not To Exceed Nine Hundred Thousand Dollars (\$900,000.00) For The Period Of August 1, 2018 Through July 31, 2020 With Two, One-Year Options To Renew, For A Grand Total Amount Of Four Million One Hundred Thousand Dollars (\$4,100,000.00), Without Returning To Council, And (2) A Waiver Of The Advertising, Competitive Bidding And Request For Proposal/Qualifications (RFP/Q) Requirements.

EXECUTIVE SUMMARY

In July 2017, after completing a competitive bidding process, Oakland Public Works' (OPW) Bureau of Maintenance & Internal Services (BMIS), Equipment Services Division, received City Council authorization to enter into a five-year contractual agreement with The Ford Store for an amount not to exceed \$500,000 annually (\$2,500,000 cumulatively) for parts and other services for City of Oakland vehicles (reference **Attachment A**: Authorizing Resolution No. 86834 C.M.S., dated July 18, 2017).

OPW currently seeks to amend said legislation through a proposed increase in the annual financial set-aside with The Ford Store by increasing the annual contractual amount from \$500,000 to \$900,000 for the period of August 1, 2018 through July 31, 2022; resulting in a four-year increased financial impact of \$1,200,000; thus amending the five-year cumulative contractual impact from \$2,500,000, to the increased amount of \$4,100,000.

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BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland currently has a fleet of approximately 1,800 vehicles, comprised of staff and emergency response vehicles of which nearly 1,000 of these vehicles are manufactured by Ford Motor Company. Equipment downtime due to routine preventative maintenance or breakdown in the field must be minimized as much as possible to ensure response readiness. It is important to utilize factory service and repair parts as much as possible, to ensure critical public safety equipment is maintained to the manufacturer's strict standards to guard against untimely equipment failures and ensure that factory warranties remain active. Having access to a Ford authorized dealer is also crucial in ensuring that Ford fleet vehicle downtime is minimized when repairs can't be performed by Equipment Services staff. The Ford Store San Leandro dealership has special tools, trained staff, and shop capabilities to support Equipment Services in keeping the City of Oakland staff and emergency response fleet vehicles properly maintained and available for 24/7 emergency response. By utilizing a factory authorized dealer, the manufacturer's warranty is maintained which serves to reduce the City's costs associated with owning, operating and maintaining the City's fleet.

Authorizing Resolution No. 86834 C.M.S. (reference **Attachment A**) provided an expenditure maximum of \$500,000.00 per year, which was what was anticipated by the Equipment Services Division based on historical cost analysis.

Historically, the costs of procuring Ford Factory parts and services were as follows:

- 2014 - \$417,000
- 2015 - \$379,000
- 2016 - \$584,000
- 2017 - \$462,000
- 2018 - \$884,000

Prior to 2018, the average annual expense for Ford Factory parts and service averaged four hundred sixty thousand five hundred dollars (\$460,500.00).

ANALYSIS AND POLICY ALTERNATIVES

Justification for Proposed Increased Contractual Provisions

Parts: The wholesale price of parts has recently increased approximately 10 percent. Most all Ford Factory replacement parts are manufactured overseas, and the increased import tariffs have been passed directly on to the end user or purchaser of the required parts to maintain and repair vehicles and equipment. In addition, the Oakland Police Pursuit Vehicle (PPV) parts and components have a significantly higher part failure rate when compared to the Crown Victoria. As the PPVs extend beyond their factory warranty period, the volume of major repairs and parts costs associated have exceeded expectations.

Services: The Equipment Services Division's current staffing levels are insufficient to consistently perform the volume of repair and maintenance requests for the City of Oakland's fleet. Due to recent retirements and transfers, OPW's Equipment Services Division has a 26 percent vacancy rate. Ten (10) vacancies out of thirty-eight (38) full-time equivalent (FTE) budgeted positions are directly tasked with performing maintenance and repairs on first responder vehicles. With approximately forty-two percent (42%) of the City of Oakland's fleet consisting of 752 emergency response vehicles manufactured by Ford Motor Company, the Equipment Services Division is requesting contract authority to build a contingency plan to ensure public safety vehicles are available.

The Ford Store, located in San Leandro California, is physically positioned three miles from the Municipal Service Center repair facility at 7101 Edgewater Drive in Oakland.

Currently, there are no Ford Manufacturer authorized repair facilities located within the City of Oakland. The Ford Store San Leandro, a Manufacturer-authorized repair facility, is the closest Ford Factory authorized repair facility in proximity to Oakland.

Waiver Request

Oakland Municipal Code (OMC) Title 2, Chapter 2, Article I, Section 2.04.050 requires the City to conduct advertising and competitive bidding for the procurement of goods, professional services, or a combination thereof. OMC Section 2.04.050.1.5 permits the Council to waive advertising and competitive bidding requirements upon a finding and determination that it is in the City's best interests to do so.

On April 21, 2017 Specification No. 17-060-00/RFQ 34407 to provide Ford parts and service was sent to ten (10) local business enterprises and fifteen (15) non-local business enterprises, posted on the City's web page and advertised in the City's official newspaper in accordance with OMC 2.04.050.

On May 8, 2017, the City Clerk received one (1) bid for Specification No. 17-060-00/RFQ 34407 to provide Ford parts and service from The Ford Store San Leandro, the lowest responsive and responsible bidder, a nonlocal business enterprise.

Based upon the fact that The Ford Store San Leandro is a certified factory service center for vehicular repair and maintenance of Ford manufactured vehicles in our area, the closest factory certified repair facility in proximity to Oakland's maintenance repair facility and the only responsive bidder that participated in bid for Specification No. 17-060-00/RFQ 34407 to provide Ford Manufacturer parts and service, staff recommends that the Council finds and determines that it is in the best interests of the City to waive the advertising, competitive bidding and RFP/Q requirements as they pertain to the implementation of the proposed amended and increased contractual services with The Ford Store.

FISCAL IMPACT

**Proposed Contract Purchase Agreement
For Ford Parts and Service**

Project Year	Cumulative Contract Amount
2017-2018	\$500,000.00
2018-2019	\$900,000.00
2019-2020	\$900,000.00
2020-2021*	\$900,000.00
2021-2022*	\$900,000.00
Grand Total:	\$4,100,000.00

*Optional Extensions

Source of Project Funding

Funding for the proposed amended (increased) contractual amount for the current fiscal year (FY 2018-2019) is available in the Equipment Services Fund 4100; Equipment Services Administration Organization 30541; Repair and Maintenance Miscellaneous Account 54619; Administrative Project 1000010; Fleet Management and Maintenance Program IN01. Annual renewal of the proposed increased contractual provisions for years three, four and five will be contingent upon the availability of funding in FY 2019-2020, FY 2020-2021 and FY 2021-2022, respectively.

PUBLIC OUTREACH / INTEREST

On April 21, 2017 Specification No. 17-060-00/RFQ 34407 to provide Ford parts and service was sent to ten (10) local business enterprises and fifteen (15) non-local business enterprises, posted on the City's web page and advertised in the City's official newspaper in accordance with OMC 2.04.050.

COORDINATION

Information that is the basis of this report was coordinated with Oakland Public Works' Bureau of Infrastructure & Operations, the Oakland Fire Department, the Controller's Office and the Office of the City Attorney.

SUSTAINABLE OPPORTUNITIES

Economic: Repair and maintenance of the City's fleet and equipment ensures the long-term efficiency and extended life-cycle of these items, while simultaneously reducing financial impacts in comparison to full vehicular replacement costs.

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Environmental: Routine maintenance and repair of the City's fleet assets ensures the deployment of up-to-date technologies which can greatly reduce fuel consumption and harmful emissions.

Social Equity: Continually maintaining operational efficiencies for City of Oakland vehicles, inclusive of public safety vehicles, will aid towards guaranteeing that Oakland's neighborhoods are places where the citizenry can thrive in safe and health environments.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing:

(1) An amendment of the agreement with the Ford Store for the purchase of parts and service, to increase the annual contract authority from an amount not to exceed five hundred thousand dollars (\$500,000), to an amount not to exceed nine hundred thousand dollars for the period of August 1, 2018 through July 31, 2020 with two, one-year options to renew, for a grand total amount of four million one hundred thousand dollars (\$4,100,000.00), without returning to Council, and (2) A waiver of the advertising, competitive bidding and request for proposal/qualifications (RFP/Q) requirements.

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

Respectfully submitted,



JASON MITCHELL
Director, Oakland Public Works

Reviewed by:
Richard Battersby, Assistant Director
Bureau of Maintenance and Internal Services

Prepared by:
Joseph A. Williams, Interim Equipment Services
Manager, Equipment Services Division
Bureau of Maintenance and Internal Services

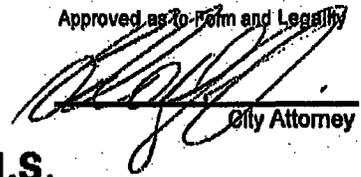
Attachments (1):

A: Resolution No. 86834 C.M.S.

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FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL



City Attorney

2017 JUL -5 AM 11:35 RESOLUTION No. 86894 C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO AWARD A CONTRACT TO FORD PARTS AND SERVICE, THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, A NON-LOCAL BUSINESS ENTERPRISE TO PROVIDE FORD PARTS AND SERVICE IN THE ANNUAL AMOUNT NOT TO EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) PER YEAR FOR A THREE (3) YEAR TERM, AUGUST 1, 2017 TO JULY 31, 2020, AND AUTHORIZE TWO (2) ADDITIONAL ONE (1) YEAR AGREEMENT EXTENSIONS FOR AN AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) PER YEAR FOR A TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00) FOR A TERM OF FIVE (5) YEARS WITHOUT RETURNING TO COUNCIL IN ACCORDANCE WITH SPECIFICATION NO. 17-060-00/RFQ 34407.

WHEREAS, on April 21, 2017 in accordance with Oakland Municipal Code (OMC) 2.04.050 the City issued and advertised Specification No. 17-060-00/RFQ 34407 to provide Ford Parts and Service; and

WHEREAS, on May 8, 2017 the City Clerk received and opened bids in response to Specification No. 17-060-00/RFQ 34407; and

WHEREAS, the bid submitted by The Ford Store San Leandro was evaluated and deemed the lowest responsive and responsible bidder and meets all the requirements contained in Specification No. 17-060-00/RFQ 34407 to provide Ford Parts and Service; and

WHEREAS, all proposed contract expenditure allocations shall be expensed to the Oakland Public Works Bureau of Infrastructure and Operations, Equipment Fund, Equipment Services Administration System Organization, Repair and Maintenance: Motor Vehicles; now, therefore be it.

RESOLVED, the City Administrator is hereby authorized to award a contract to The Ford Store San Leandro, the lowest responsive and responsible bidder, in an amount not to exceed five hundred thousand dollars (\$500,000.00) per year for a three (3) year term, August 1, 2017 to July 31, 2020, for a total not to exceed contract amount of one million five hundred thousand dollars (\$1,500,000.00); and

FURTHER RESOLVED, the City Administrator may elect to extend all or part of this contract for an additional two-year period, one year at a time, with terms and conditions remaining the same in an amount not to exceed five hundred thousand dollars, (\$500,000.00) per year for a total not-to-exceed contract amount of (\$2,500,000.00) for a term of five (5) years. The contractor will have the right to accept or reject any proposed contract extension; and

FURTHER RESOLVED, that the City Council hereby rejects all other bids submitted in response to Specification No. 17-060-00/RFQ 34407; and

FURTHER RESOLVED, that the contract shall be approved for form and legality by the City Attorney and copies shall be on file in the City Clerk's Office.

IN COUNCIL, OAKLAND, CALIFORNIA, JUL 18 2017

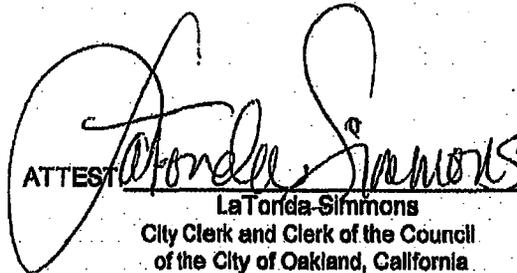
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN,
AND PRESIDENT REID — 8

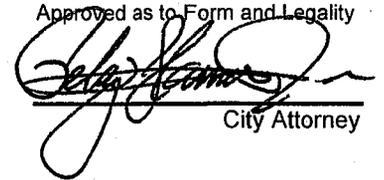
NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST 
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

2019 FEB 27 PM 4:44



City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING (1) AMENDMENT OF THE AGREEMENT WITH THE FORD STORE FOR THE PURCHASE OF PARTS AND SERVICES, TO INCREASE THE ANNUAL CONTRACT AUTHORITY FROM AN AMOUNT NOT TO EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), TO AN AMOUNT NOT TO EXCEED NINE HUNDRED THOUSAND DOLLARS (\$900,000.00) FOR THE PERIOD OF AUGUST 1, 2018 THROUGH JULY 31, 2020 WITH TWO, ONE-YEAR OPTIONS TO RENEW, FOR A GRAND TOTAL AMOUNT OF FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000.00), WITHOUT RETURNING TO COUNCIL, AND (2) A WAIVER OF THE ADVERTISING, COMPETITIVE BIDDING AND REQUEST FOR PROPOSAL/QUALIFICATIONS (RFP/Q) REQUIREMENTS

WHEREAS, Oakland Public Works' Bureau of Maintenance & Internal Services, Equipment Services Division, is responsible for the purchase, repair and maintenance of City vehicles and equipment, inclusive of public safety vehicles; and

WHEREAS, the City Council previously authorized the execution of a contract for parts and service with The Ford Store through ratification of Authorizing Resolution No. 86834 C.M.S., dated July 18, 2017; and

WHEREAS, said City Council authorized contractual provisions with The Ford Store was for an amount not to exceed \$500,000 annually, for the term of August 1, 2017 through July 31, 2020, with two, one-year options to extend; equating to a cumulative, five-year contractual amount of \$2,500,000; and

WHEREAS, due to staffing shortages within OPW's Equipment Services Division, staff has substantially increased the number of vehicles which it outsources to the Ford Store for services and parts; and

WHEREAS, as a result of these outsourcing provisions, OPW's Equipment Services Division has fully depleted the entire current contract year's financial set-aside with The Ford Store, with said exhaustion occurring well before the close of the annual contract term; and

WHEREAS, in order to ensure the enactment of mandatory maintenance and repairs, an increase in the authorized annual contractual provisions with The Ford Store is necessary; and

WHEREAS, Oakland Public Works seeks authorization to amend Authorizing Resolution No. 86834 C.M.S., through enactment of an increase to the annually authorized spending threshold of its contractual provisions with The Ford Store from \$500,000 to \$900,000, effective August 1, 2018 with no proposed changes to contractual term limit(s) and without returning to Council; and

WHEREAS, with approval of the proposed amendment, the cumulative financial impact of the subject contract with The Ford Store would increase from \$2,500,000 to \$4,100,000; and

WHEREAS, The Ford Store's San Leandro location is the closest Ford factory authorized repair facility in proximity to the City of Oakland; and

WHEREAS, Oakland Municipal Code (OMC) Title 2, Chapter 2, Article I, Section 2.04.05I.A requires the City to conduct a competitive Request for Proposal/Qualifications (RFP/Q) selection process for the procurement of professional services; and

WHEREAS, OMC Title 2, Chapter 2, Article I, Section 2.04.050 requires the City to conduct advertising and competitive bidding when it purchases services, supplies or a combination thereof that exceeds \$50,000.00; and

WHEREAS, OMC Section 2.04.05I.B and 2.04.050 I. 5 permit the Council to waive the RFP/Q and advertising and bidding requirements upon a finding and determination that it is in the best interests of the City to do so; and

WHEREAS, staff recommends that the City Council, based upon staffing shortages within OPW's Equipment Services Division, and pursuant to OMC Section 2.04.051.B and 2.04.050 I.5 waives the RFP/Q and advertising and bidding requirements and authorize the City Administrator, or designee, to enter into the proposed amended contract(s) with The Ford Store; and

WHEREAS, the proposed contractual arrangements with The Ford Store San Leandro will assist the City of Oakland in terms of guaranteeing that critical emergency response vehicles are maintained to the manufacturer's strict warranty standards and guard against untimely public safety equipment failures; now, therefore be

RESOLVED: That the City Council hereby authorizes the City Administrator, or designee, to enter into an amended agreement with The Ford Store for the increased annual contractual amount of \$900,000 for the period of August 1, 2018 through July 31, 2020 for service and parts for emergency response vehicles and related equipment; and be it

FURTHER RESOLVED: That the City Council also authorizes two, one-year options to extend said amended agreement with The Ford Store, for the cumulative contractual allocation of \$4,100,000; and be it

FURTHER RESOLVED: That based upon staffing shortages within OPW's Equipment Services Division and pursuant to OMC Sections and 2.04.050 I. 5 and 2.04.051.A, the City Council hereby finds and determines that it is in the best interests of the City to waive the advertising, competitive bidding and RFP/Q requirements, without returning to Council, for the execution of the proposed amended contractual agreements with The Ford Store to ensure the City's ability to provide adequate repairs and parts for the City's fleet in the midst of staffing shortages; and be it

FURTHER RESOLVED: That all proposed amended contract expenditure allocations shall be expensed to the Equipment Services Fund (4100); Equipment Services Administration Organization (30541); Repair and Maintenance Miscellaneous Account (54619); Administrative Project 1000010, Fleet Management and Maintenance Program IN01; and be it

FURTHER RESOLVED: That proposed amended contract expenditure allocations for Fiscal Years 2018-2019 through 2021-2022 will be contingent upon the availability of funding; and be

FURTHER RESOLVED: That the City Administrator or designee is hereby authorized to complete all required negotiations, certifications, assurances and documentation required to accept, modify, extend and/or amend the proposed agreement(s), except for any increase(s) in the agreement(s) costs; and be it

FURTHER RESOLVED: That the City Attorney shall review and approve the proposed contract(s) as to form and legality, and copies of the agreement(s) shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California