



AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Jason Mitchell
Oakland Public Works
Director

SUBJECT: Contract Increase For Heavy
Equipment Repair and Service

DATE: February 10, 2020

City Administrator Approval

Date:

2/10/2020

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 87615 C.M.S., Which Awarded A Contract To Kelly's Truck Repair For The Purchase Of Heavy Truck Equipment Repair And Service In The Amount Of \$500,000 Annually, To Increase The Amount Authorized For Fiscal Year (FY) 2019-2020 To \$1,000,000, And To Waive Advertising And Competitive Bidding Requirements.

EXECUTIVE SUMMARY

Adoption of the proposed resolution will authorize a \$500,000 expenditure increase to the current contract between Kelly's Truck Repair and the City of Oakland. City Council approved the existing contract as per Resolution No. 87615 C.M.S. (**Attachment A**), which stipulated an amount not-to-exceed \$500,000 for a one year term, May 1, 2019, to April 30, 2020, and will authorize the City to extend the agreement with two (2) one-year options in an amount not-to-exceed \$500,000 per year for a total not-to-exceed contract amount of \$1,500,000 over a three-year term, without returning to City Council. The proposed resolution will increase the not-to-exceed amount to \$1,000,000 for the current one year term, May 1, 2019, to April 30, 2020, and will authorize the City to extend the agreement with two (2) one-year options in an amount not-to-exceed \$500,000 per year for a total not-to-exceed contract amount of \$2,000,000 over a three-year term, without returning to City Council.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland 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. However, 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

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maintenance or mechanical breakdown in the field must be minimized as much as possible to ensure response readiness. On April 9, 2019, Oakland City Council approved Resolution No. 87615 C.M.S., which awarded a contract to Kelly's Truck Repair with a not-to-exceed amount of \$500,000. 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.

ANALYSIS AND POLICY ALTERNATIVES

On December 21, 2018, the City issued a Request for Quote (RFQ) notice in accordance with the Oakland Municipal Code (OMC) 2.04.050 – Bid procedure. This notice was advertised in the local newspaper, published on the City's website, and issued through Oracle Sourcing with also includes hundreds of registered vendors. A total of 22 local business enterprises and 23 non-local business enterprises were identified and solicited directly.

On January 29, 2019, the City Clerk received one bid response to RFQ 135521 Heavy Equipment Repair and Service 19-928-00 from Kelly's Truck Repair, a non-local business enterprise located in San Leandro, California. Based on the information provided in response to the RFQ, Kelly's Truck Repair was deemed to be the lowest responsive and responsible bidder.

Staff recommended that the City Council adopt a resolution authorizing the award of a contract to Kelly's Truck Repair, the lowest responsive and responsible bidder, a non-local business enterprise to provide heavy equipment repair and service, in an amount not-to-exceed \$500,000 per year for a total not-to-exceed contract amount of \$1,500,000 over a three-year term, without returning to City Council. City Council adopted Resolution No. 87615 C.M.S.

The Oakland Public Works, Equipment Services Division, is responsible for the maintenance and repairs for all City-owned equipment. Approximately 700 of the 1800 assets in the City's fleet are considered heavy equipment and are maintained and repaired by Heavy Equipment Mechanics and Service Workers. Currently, 12 out of the 23 budgeted Full-Time Employees (FTEs) in these two classifications are vacant, which is requiring the Equipment Services Division to outsource significantly more work than initially anticipated. Due to the increased volume of outsourced work, the Equipment Services Division reached the \$500,000 spending limit with its primary vendor, Kelly's Truck Repair, in December 2019. Heavy Equipment assets are now experiencing more downtime, with over 70 units currently out-of-service awaiting repairs and maintenance. This increase in downtime is negatively impacting many Departments, including Keep Oakland Clean and Beautiful (KOCB), Department of Transportation (DOT), Sewers, and the Oakland Fire Department.

Staff recommends that the City Council adopt a resolution amending Resolution No. 87615 C.M.S., increasing the not-to-exceed amount from \$500,000 to \$1,000,000 for the current one year term, May 1, 2019, to April 30, 2020, and will authorize the City to extend the agreement with two (2) one-year options in an amount not-to-exceed \$500,000 per year for a total not-to-exceed contract amount of \$2,000,000 over a three-year term, without returning to City Council.

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**

Project Year	Cumulative Contract Amount
2019-2020	\$1,000,000
2020-2021*	\$500,000
2021-2022*	\$500,000
Grand Total:	\$2,000,000

*Optional Extensions

PUBLIC OUTREACH / INTEREST

The RFQ notice was advertised in the local newspaper, published on the City's website, and issued through Oracle Sourcing. No further public outreach was necessary for this report beyond posting on the City's website.

COORDINATION

Oakland Public Works' 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: There are no economic impact concerns associated with this report.

Environmental: There are no environmental impact concerns associated with this report.

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 approve a resolution amending Resolution No. 87615 C.M.S., which awarded a contract to Kelly's Truck Repair for the purchase of heavy truck equipment repair and service in the amount of \$500,000 annually, to increase the amount authorized for FY 2019-2020 to \$1,000,000 and waiving advertising and competitive bidding requirement.

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

Respectfully submitted,



JASON MITCHELL
Director, Oakland Public Works Department

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

Prepared by:
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Bureau of Maintenance and Internal Services,
Oakland Public Works Department

Attachment (1): A: Authorizing Resolution No. 87615 C.M.S.