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OAKLAND

2015 MAR 12 PM 10: 07

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: Brooke A. Levin

SUBJECT: Golden State Fire Apparatus, Inc.
Sole Source Maintenance Contract

DATE: February 18, 2015

City Administrator
Approval

Date

3/10/15

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Staff recommends that the City Council approve a resolution: 1) authorizing the City Administrator, or his designee, to execute a one-year service agreement for the period of May 1, 2015 through April 30, 2016, with Golden State Fire Apparatus, Inc. in an amount not to exceed four hundred thousand dollars (\$400,000.00) for maintenance, parts, and repair of Oakland Fire Department emergency response vehicles; 2) authorize the execution of two additional one-year agreement extensions with Golden State Fire Apparatus, Inc. in an amount not to exceed four hundred thousand dollars (\$400,000.00) per year, for a grand total contract amount of one million two hundred thousand dollars (\$1,200,000.00), without returning to Council, and 3) waive the advertising, competitive bidding, Request for Proposal/ Qualifications (RFP/Q) and the Local and Small Local Business Enterprise (L/SLBE) Program requirement associated with the proposed service agreements.

OUTCOME

Approval of the proposed service agreement(s) with Golden State Fire Apparatus, Inc. will ensure that all of the Oakland Fire Department's emergency response vehicles manufactured by Pierce Manufacturing continually meet optimum factory-authorized operational standards.

BACKGROUND/LEGISLATIVE HISTORY

The Oakland Fire Department currently operates thirty-seven (37) emergency response vehicles that are manufactured by Pierce Manufacturing, Inc. In February 2015, Pierce Manufacturing formally designated Golden State Fire Apparatus, Inc. as the sole source provider for maintenance, parts and repair of all Pierce Manufacturing's fire apparatuses (emergency response vehicles) in Central and Northern California. (See Attachment A: Sole Source Designation Confirmation from Pierce Manufacturing, Inc., dated February 2, 2015.)

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Sole Source Vendor Justification: Golden State Fire Apparatus, Inc.

For several years, Oakland Public Works Equipment Services Division has utilized the services of multiple vendors for maintenance, repairs, and parts acquisition for equipment/vehicles manufactured by Pierce Manufacturing, Inc. However, in February 2015, Pierce Manufacturing issued formal, written notification which confirmed that Golden State Fire Apparatus, Inc. would serve as the sole designated Pierce dealer for said services and commodities throughout Central and Northern California.

Although our Department does in fact have the option of using the services of third party vendors for Pierce Manufacturing products, enactment of said option will result in the City incurring significant price increases; since all third-party vendors must order their factory-approved parts through Golden State Fire Apparatus; products/services for which the third party vendors will then mark-up in price to cover their own internal operating costs. Accordingly, purchasing all needed equipment and services directly from Golden State Fire Apparatus, Inc. will ensure that the City obtains the lowest pricing available.

It is important to utilize factory-authorized service and repair parts as much as possible, for doing so guarantees that critical public safety equipment is maintained to the manufacturer's strict warranty standards and guards against untimely equipment failures. Further, having access to a manufacturer-authorized service center is crucial towards ensuring that fire apparatus downtime is minimized. Golden Gate Fire Apparatus, Inc. possesses the authorized tools, trained staff, and maintenance shop capabilities which are vital relative to supporting our City's emergency response fleet.

ANALYSIS

Waiver Request

Oakland Municipal Code (OMC) Title 2, Chapter 2.04, Article I, Section 2.04.050 requires that where the cost of services, supplies or combination required by the City exceeds \$50,000, the City Clerk shall call for formal bids by advertising at least once in the official newspaper of the City not less than ten calendar days before the date for receiving bids. However, OMC Title 2, Chapter 2.04, Article I, Section 2.04.050.I.5 provides an exception to this advertising and competitive bidding requirement when specifically authorized by the City Council after a finding and determination that it is in the best interest of the City.

Oakland Municipal Code (OMC) Title 2, Chapter 2, Article I, Section 2.04.051.A requires the City to conduct a competitive Request for Proposal/Qualification (RFP/Q) selection process for the procurement of professional services. Further, OMC Title 2, Chapter, Article I, Section 2.04.010 provides for a Local and Small Local Business Enterprise (L/SLBE) Program requirement, unless it is waived by the City Administrator or the Council. OMC Section

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2.04.051.B permits the Council to waive the competitive RFP/Q competitive selection requirement upon a finding and determination that it is in the City's best interest to do so.

Staff recommends that based on the information as stipulated and set forth above, that the Council finds and determines that it is in the best interests of the City to waive the advertising, competitive bidding, RFP/Q and the L/SLBE Program requirements and authorize the City Administrator, or his designee, to: 1) negotiate and enter into a one-year service agreement for the period of May 1, 2015 through April 30, 2016, with Golden State Fire Apparatus, Inc. in an amount not to exceed \$400,000.00 for maintenance, parts and repair of Oakland Fire Department emergency response vehicles, and 2) authorize the execution of two additional one-year agreement extensions with Golden Gate Fire Apparatus, Inc. in an amount not to exceed (\$400,000.00) per year, for a grand total contract amount of (\$1,200,000.00), without returning to Council.

PUBLIC OUTREACH/INTERSET

This item does not require any further public outreach other than the required posting on the City's website.

COORDINATION

Information contained within this report was developed on a collaborative basis between Oakland Public Works' Bureau of Infrastructure & Operations (BIO), the Controller's Bureau, and Purchasing Division, as well as the Office of the City Attorney.

COST SUMMARY/IMPLICATIONS

**Golden State Fire Apparatus, Inc.
Proposed Maintenance Agreements**

Project Year	Contract Amount
2015	\$400,000.00
2016	\$400,000.00
2017	\$400,000.00
Cumulative Contractual Amount:	\$1,200,000.00

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Source of Project Funding

All proposed contract expenditure allocations shall be expensed to the Oakland Public Works Equipment Services Division Fund (4100); Equipment Services Administration Organization (30541), Program No. (IN01).

SUSTAINABLE OPPORTUNITIES

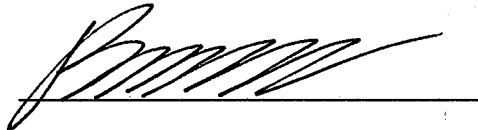
Economic: Ensuring adequate maintenance of the Oakland Fire Department's emergency response vehicles will increase overall efficiencies in public safety services.

Environmental: There are no environmental impacts associated with this report.

Social Equity: Continually maintaining operational efficiencies for public safety vehicles will aid towards ensuring that Oakland's neighborhoods are places where the citizenry can thrive in safe and healthy environments.

For questions regarding this report, please contact Richard Battersby, Equipment Services Manager at (510) 615-54387.

Respectfully submitted,



Brooke A. Levin
Director, Oakland Public Works

Reviewed By:
Jason Mitchell, Assistant Director
Bureau of Infrastructure & Operations

Prepared By:
Richard Battersby, Equipment Services Manager
Bureau of Infrastructure & Operations

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ATTACHMENT A

**Oakland Public Works
Bureau of Infrastructure & Operations**

**Golden State Fire Apparatus, Inc.
Sole Source Maintenance Contract**

**PIERCE MANUFACTURING, INC.
SOLE SOURCE DESIGNATION CONFIRMATION**

PIERCE MANUFACTURING INC.

AN OSHKOSH CORPORATION COMPANY • ISO 9001 CERTIFIED



2600 AMERICAN DRIVE

POST OFFICE BOX 2017

APPLETON, WISCONSIN 54912-2017

920-832-3000 • FAX 920-832-3208

www.piercemfg.com

February 2, 2015

City of Oakland Public Works
7101 Edgewater Drive
Oakland, CA 94621
ATTN: Mr. Richard E. Battersby

To All Parties Concerned,

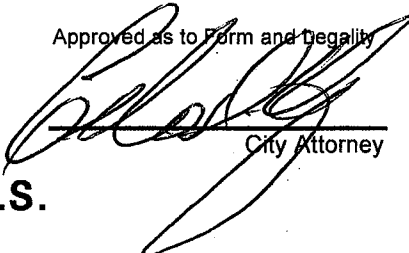
This letter shall serve as written confirmation that Golden State Fire Apparatus, Inc. located at 7400 Reese Road in Sacramento is the sole designated Pierce dealer in Central and Northern California.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jeffrey D. Seidner", is written over a light background.

Jeffrey D. Seidner
Director of Dealer Development
Pierce Manufacturing, Inc.

OAKLAND CITY COUNCIL



City Attorney

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RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HIS DESIGNEE TO: 1) EXECUTE A ONE-YEAR SERVICE AGREEMENT FOR THE PERIOD OF MAY 1, 2015 THROUGH APRIL 30, 2016, WITH GOLDEN STATE FIRE APPARATUS, INC. IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) FOR MAINTENANCE, PARTS AND REPAIR OF OAKLAND FIRE DEPARTMENT EMERGENCY RESPONSE VEHICLES; 2) AUTHORIZE THE EXECUTION OF TWO ADDITIONAL ONE-YEAR AGREEMENT EXTENSIONS WITH GOLDEN STATE FIRE APPARATUS, INC. IN AN AMOUNT NOT TO EXCEED FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) PER YEAR, FOR A GRAND TOTAL CONTRACT AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00), WITHOUT RETURNING TO COUNCIL, AND 3) WAIVE THE ADVERTISING, COMPETITIVE BIDDING, REQUEST FOR PROPOSAL/QUALIFICATIONS (RFP/Q) AND THE LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE (L/SLBE) PROGRAM REQUIREMENTS ASSOCIATED WITH THE PROPOSED SERVICE AGREEMENTS

WHEREAS, Oakland Public Works' Bureau of Infrastructure and Operations seeks to enter into a sole source service agreement with Golden State Fire Apparatus, Inc. for maintenance, parts and repair of Oakland Fire Department emergency response vehicles which are manufactured by Pierce Manufacturing, Inc.; and

WHEREAS, as of February 2015, Pierce Manufacturing, Inc. issued formal written notification that Golden State Fire Apparatus, Inc. serves as the sole authorized provider for Pierce products and services in Central and Northern California; and

WHEREAS, Oakland Public Works requests authorization to enter into a one-year service agreement for the period of May 1, 2015 through April 30, 2016, with Golden State Fire Apparatus, Inc. in an amount not to exceed four hundred thousand dollars (\$400,000.00) for maintenance, parts and repair of Oakland Fire Department emergency response vehicles; and

WHEREAS, staff also requests authorization to enter into two, one-year agreement extensions with Golden State Fire Apparatus, Inc. in an amount not to exceed \$400,000.00 per year, for a grand total contract amount of one million two hundred thousand dollars (\$1,200,000.00), without returning to Council; and

WHEREAS, Oakland Municipal Code (OMC) Title 2, Chapter 2, Article I, Section 2.04.051.A requires the City to conduct a competitive Request for Proposal/Qualification (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 2.04.051.B permits the Council to waive the RFP/Q requirements upon a finding and determination that it is in the best interests of the City to do so; and

WHEREAS, OMC Title 2, Chapter 2, Article I, Section 2.04.010 provides for the mandatory Local and Small Local Business Enterprise (L/SLBE) Program requirement, unless it is waived by the City Administrator or the Council; and

WHEREAS, staff recommends that the City Council, pursuant to OMC Section 2.04.051.B, waives the RFP/Q requirements and the L/SLBE Provision requirements and authorize the City Administrator, or his designee, to enter into the above-referenced contractual provisions with Golden State Fire Apparatus, Inc.; and

WHEREAS, the proposed contractual arrangements between Oakland Public Works and Golden State Fire Apparatus, Inc. will assist the City of Oakland in terms of guaranteeing that critical public safety equipment is maintained to the manufacturer's strict warranty standards and guard against untimely equipment failures; now, therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator, or his designee, to enter into a one-year service agreement for the period of May 1, 2015 through April 30, 2016, with Golden State Fire Apparatus, Inc. in an amount not to exceed \$400,000.00 for maintenance, parts and repair of Oakland Fire Department emergency response vehicles; and be it

FURTHER RESOLVED: That the City Council also authorizes the City Administrator, or his designee, to enter into two, additional one-year agreement extensions with Golden State Fire Apparatus, Inc. in an amount not to exceed \$400,000.00 per year, for a grand total contract amount of \$1,200,000.00 without returning to Council; and be it

FURTHER RESOLVED: Pursuant to OMC Section 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, RFP/Q requirements based on the reasons set forth herein and in the Report and Attachment A that accompany this Resolution, and further waives the L/SLBE provisions; and be it

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

FURTHER RESOLVED: That all proposed contract expenditure allocations shall be expensed to the Oakland Public Works Equipment Services Division Fund (4100); Equipment Services Administration Organization (30541), Program No. (IN01); 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, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID and PRESIDENT GIBSON-McELHANEY

NOES -

ABSENT -

ABSTENTION -

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