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OFFICE OF THE CITY CLERK
OAKLAND

2019 MAR 28 PM 12: 29

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: Contract For Heavy Equipment
Repair And Service

DATE: March 18, 2019

City Administrator Approval

Date:

3/29/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing:

- (1) The Award Of A Contract To Kelly's Truck Repair, The Lowest Responsive And Responsible Bidder, A Non-Local Business Enterprise, To Provide Equipment Repair And Service, In An Amount Not-To-Exceed Five Hundred Thousand Dollars (\$500,000) For A One (1) Year Term, May 1, 2019 To April 30, 2020, In Accordance With Its Bid Filed With The City Clerk On January 29, 2019 In Response To RFQ 135521 Heavy Equipment Repair And Service 19-928-00, And**
- (2) Authorizing The City Administrator To Extend The Agreement With Two (2) One-Year Options In An Amount Not-To-Exceed Five Hundred Thousand Dollars (\$500,000) Per Year For A Total Not-To-Exceed Contract Amount Of One Million Five Hundred Thousand Dollars (\$1,500,000) Over A Three (3) Year Term, Without Returning To City Council.**

EXECUTIVE SUMMARY

Adoption of the proposed resolution will authorize the award of a contract to Kelly's Truck Repair to provide heavy equipment repair and service, in 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.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland currently maintains a fleet of approximately 1800 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

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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, and Equipment Services Division, would utilize 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 which 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 responsive 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 recommends 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 for a one year term, May 1, 2019 To April 30, 2020, and authorizing the City Administrator 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.

FISCAL IMPACT

All proposed contract expenditure allocations shall be expensed to the OPW's Bureau of Infrastructure and Operations 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
2019-20	\$500,000.00
2020-21*	\$500,000.00
2021-22*	\$500,000.00
Grand Total:	\$1,500,000.00

*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

The Controller's Bureau, Purchasing Section worked with Oakland Public Works' Bureau of Infrastructure and Operations Equipment Services Division, the City's Budget Bureau, and the City Attorney's Office in preparation of this report.

SUSTAINABLE OPPORTUNITIES

Economic: The award of this contract will yield approximately \$470.00 in annual business tax revenue to the City of Oakland.

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

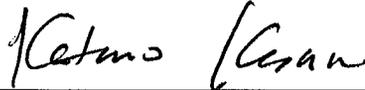
Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing the City Administrator to award a contract to Kelly's Truck Company, 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 for a one (1) year term, May 1, 2019 To April 30, 2020 and authorizing the City Administrator 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 without returning to City Council.

For questions regarding this report, please contact Fred Haliburton, Purchasing Supervisor, at 510-238-6464.

Respectfully submitted,



KATANO KASAINÉ,
Finance Director, Finance Department

Reviewed by:
Kirsten LaCasse, Controller
Finance Department

Fred Haliburton, Purchasing Supervisor
Purchasing Section

Prepared by:
Walter Silva, Buyer
Purchasing Section

Attachments (2):

Attachment A: Award Recommendation Statement
Attachment B: RFQ 135521 Bid Recap



CITY OF OAKLAND
PURCHASING SECTION
AWARD RECOMMENDATION STATEMENT

WALTER SILVA		PURCHASING/ACQUISITION/CONTRACT: Collision Repair and Body Shop Services	
COUNCIL AGENDA DATE: April 16, 2019	SPECIFICATION/PROJECT NO.: 19-928-00/RFQ 135521 Heavy Equipment Repair and Service	FUNDING SOURCE: Oakland Public Works Bureau of Infrastructure and Operations Equipment Services Division Fund (4100) Equipment Services: Administration (30541), Repair and Maintenance: Miscellaneous (54619)	BID OPENING DATE: January 29, 2019
	PREVIOUS LEGISLATION:		
	CONTRACT PERIOD: April 1, 2019 to March 31, 2020 with two one-year extensions		
PURPOSE STATEMENT: To provide the City of Oakland Heavy Equipment Repair And Service as requested by the Oakland Public Works Bureau of Infrastructure and Operations Equipment Services Division.			
ITEM NO./DESCRIPTION		PREVIOUS CONTRACT AMOUNT	ANNUAL ESTIMATED COST
Heavy Equipment Repair And Service		\$1,650,000.00	\$500,000.00
PERCENT DIFFERENCE -23.75%			
COMMENTARY: The recommended vendor Kelly's Truck Repair, a non-local vendor business enterprise. There are no additional costs to the City.			
RANGE OF BIDS RECEIVED			
TOTAL BIDS RECEIVED/DOLLAR RANGE 1 Total Bid Received / Dollar Range \$473,325.00 to \$473,325.00		BIDS WHICH MEET SPECIFICATION/DOLLAR RANGE 1 Bid / \$473,325.00	
LOW BIDS NOT MEETING SPECIFICATION			
VENDOR/CONTRACTOR N/A	REASON N/A	RECOMMENDATION ON REJECTIONS N/A	
AWARD RECOMMENDED			
VENDOR NAME/ADDRESS Kelly's Truck Repair 495 Hester Street San Leandro, CA 94577	DESCRIPTION Heavy Equipment Repair And Service	ESTIMATED ANNUAL AMOUNT \$500,000.00	

SUBMITTED BY

APPROVED AND FORWARDED TO COUNCIL

DEPARTMENT HEAD

OFFICE OF THE CITY ADMINISTRATOR

BID CALL	TOTAL	LOWEST BID BY CATEGORY	
		LOCAL BUSINESS	NON-LOCAL
ASK	50	22	23
NO RESPONSE	49	22	22
BIDS RECEIVED	1	0	1
AWARDS RECOMMENDED	1	0	1-\$500,000.00

VENDOR INFORMATION		BIDDER # 1		
Vendor Name		Kelly's Truck Repair		
Vendor Address		495 Hester Street		
Vendor Address		San Leandro, CA 94577		
Contact Person		Amine Filal		
Telephone		510-760-0001		
Small local vendor	?	no		
Oakland vendor	?	no		

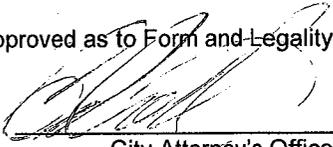
PURCHASE DESCRIPTION				
item #	item	quant	unit cost	total
1	Shop Hourly Labor Rate	2500	\$ 150.00	\$ 375,000.00
2	Contractor shall provide Pricelist Discount Percentage OFF Manufacturer's published price	100000	\$ 0.90	\$ 90,000.00

CALCULATIONS	
SUBTOTAL	\$ 465,000.00
9.25% SALES TAX	\$ 8,325.00
SMALL LOCAL VENDOR	\$ -
OAKLAND VENDOR	\$ -
EVALUATION TOTAL	\$ 473,325.00
GRAND TOTAL FOR PURCHASE	\$ 473,325.00

Bureau of Controller
 AGENCY / DEPARTMENT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality



City Attorney's Office

2019 MAR 28 PM 12: 29

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE AWARD OF A CONTRACT TO KELLY'S TRUCK REPAIR, THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, A NON-LOCAL BUSINESS ENTERPRISE, FOR THE PURCHASE OF HEAVY EQUIPMENT REPAIR AND SERVICE, IN AN AMOUNT NOT-TO-EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000) FOR A ONE (1) YEAR TERM, MAY 1, 2019 TO APRIL 30, 2020, IN ACCORDANCE WITH ITS BID FILED WITH THE CITY CLERK ON JANUARY 29, 2019 IN RESPONSE TO RFQ 135521 HEAVY EQUIPMENT REPAIR AND SERVICE 19-928-00, AND AUTHORIZING THE CITY ADMINISTRATOR TO EXTEND THE AGREEMENT WITH TWO (2) ONE-YEAR OPTIONS IN AN AMOUNT NOT-TO-EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000) PER YEAR FOR A TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) OVER A THREE (3) YEAR TERM, WITHOUT RETURNING TO CITY COUNCIL.

WHEREAS, the Oakland Public Works Bureau of Infrastructure and Operations Equipment Services Division occasionally requires the services of an outside company to provide support and services to reduce the heavy equipment's out-of-service or downtime; and

WHEREAS, on December 21, 2018 in accordance with Oakland Municipal Code (OMC) 2.04.050 the City issued and advertised RFQ 135521 Heavy Equipment Repair and Service 19-928-00 to provide heavy equipment repair services; and

WHEREAS, on January 29, 2019 the City Clerk received and opened one bid in response to RFQ 135521 Heavy Equipment Repair and Service 19-928-00; and

WHEREAS, the bid submitted by Kelly's Truck Repair, a non-local business enterprise, a non-local business enterprise was evaluated and deemed to be the lowest responsive and responsible bidder and meets all the requirements contained in RFQ 135521 Heavy Equipment Repair and Service 19-928-00 to provide heavy equipment repair services; and

WHEREAS, all proposed contract expenditure allocations shall be expensed to the Oakland Public Works Bureau of Infrastructure and Operations Equipment Services Division Fund (4100) Equipment Services Administration System Organization (30541), Repair and Maintenance: Miscellaneous (54619); now, therefore, be it

RESOLVED: 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 for the purchase of heavy equipment repair and service, in an amount not-to-exceed \$500,000 for a one (1) year term, May 1, 2019 to April 30, 2020; in accordance with their bid dated January 07, 2019 submitted in response to RFQ 135521 dated January 29, 2019; and

FURTHER RESOLVED: That 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. 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 RFQ 135521 Heavy Equipment Repair and Service 19-928-00 to provide heavy equipment repair services; and be it

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,

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