



# AGENDA REPORT

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

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

**SUBJECT:** Contract For Heavy Equipment Repair  
and Service

**DATE:** November 14, 2022

City Administrator Approval

Date: Dec 8, 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, With Two (2) Options To Extend The Agreement Annually, For Up To Two (2) One-Year Periods In An Amount Not-To-Exceed \$650,000 Per Year For A Total Not-To-Exceed Contract Amount Of \$2,600,000 Over A Four Year Term; And (2) Waiving The Local Business/Small Local Business Enterprise Program Utilization Requirement.**

## **EXECUTIVE SUMMARY**

Adoption of the proposed resolution 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.

## **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.

Public Works Committee  
December 12, 2022

Currently, 12 out of the 23 budgeted Full Time Employees in these two classifications are vacant, which requires the Equipment Services Division to outsource significantly more work. 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.

### **ANALYSIS AND POLICY ALTERNATIVES**

On August 19, 2022, Specification No. 22-928-00/Request For Quotation (RFQ) No. 269219 to provide vehicle diagnostic and repair services to City owned light and heavy-duty vehicles was sent to five (5) business enterprises, posted on the City's webpage, and advertised in the City's official newspaper in accordance with Oakland Municipal Code (OMC) 2.04.050.

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. A panel of three qualified employees with experience in the scope of services identified in the RFQ evaluated the submittals. The following evaluation criteria were used as set forth in the RFQ: Relevant Experience • Bid Proposal Location.

Based on the panel's evaluation results, contract requirements, and contract capacity needs, 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, and authorizing the City Administrator to extend the agreement annually, up to two (2) one-year periods in an amount not-to-exceed \$650,000 per year for a total not-to-exceed contract amount of \$2,600,000 over a four year term.

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.

### **WAIVER OF LOCAL BUSINESS/SMALL LOCAL BUSINESS PROGRAM REQUIREMENT**

Ordinance number 13640 and 13647 C.M.S. requires a minimum 50-percent (50%) Local Business Enterprise/Small Local Business Enterprise (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.

However, the Council may waive the City's LBE/SLBE requirements for the purchase of commodities, goods, services, supplies or combination thereof 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.

Staff has not been able to identify 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. 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. Thus staff requests the waiver the LBE/SLBE utilization requirements for this proposed contract award.

**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>2024-2025*</b>	<b>\$650,000</b>
<b>2025-2026*</b>	<b>\$650,000</b>
<b>Grand Total:</b>	<b>\$2,600,000</b>

\*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**

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, with two (2) options to extend the agreement annually, for up to two (2) one-year periods in an amount not-to-exceed \$650,000 per year for a total not-to-exceed contract amount of \$2,600,000.00 over a four 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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