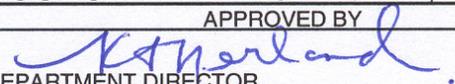


November 18, 2008

AGENDA ITEM NO.

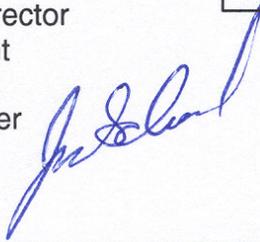
COUNCIL MEETING: Nov. 18, 2008

APPROVED BY


DEPARTMENT DIRECTOR

CITY MANAGER

FROM: KENNETH A. NERLAND, Director
General Services Department

BY: JAMES H. SCHAAD, Manager
Fleet Management Division 

SUBJECT: AWARD A REQUIREMENTS CONTRACT IN THE AMOUNT OF \$326,230.27 TO SCELZI ENTERPRISES, INC. OF FRESNO, CA FOR TRUCK MOUNTED SERVICE AND UTILITY BODIES
BID FILE NO. 9011

KEY RESULT AREA: Customer Service

RECOMMENDATIONS

Staff recommends that the City Council award a one year requirements contract, with provisions for four one-year extensions, for truck mounted service and utility bodies in the amount of \$326,230.27 to Scelzi Enterprises, Inc. of Fresno, CA.

EXECUTIVE SUMMARY

The General Services Department, Fleet Management Division, is seeking to establish a requirements contract for service and utility bodies to be installed on city-owned cab and chassis trucks used by various departments and divisions within the City of Fresno. The trucks receiving these custom designed bodies are used for a multitude of specialized functions within the city that vary from servicing water well sites, sewer lift station pumps, building maintenance, street maintenance, and various other activities that require an extensive amount of tools and equipment to be carried to the job site.

The majority of the service and utility bodies purchased under this contract will be for replacement trucks that have reached the end of their economic life. The sixteen (16) body quantity listed in the bid specifications were for bidding purposes only and are representative of the different types of service and utility bodies that are purchased each year. Actual quantities and types will vary each year and be dependent on appropriations approved by the City Council in the Adopted Budget.

Staff has reviewed the pricing offered in the new bid proposal which is 10% above the previous contract and considers it very competitive considering that the price for steel has increased by over 49% since January of 2008 based on Bureau of Labor Statistics data from the U.S. Department of Labor. Staff polled prospective bidders who did not bid to ascertain why they chose not to bid. Some indicated that they would be using Scelzi utility bodies and did not see any point in bidding against Scelzi. Others indicated that they did not want to enter into a long term contract with fixed pricing due to the volatile nature of the component commodities, particularly steel.

REPORT TO THE CITY COUNCIL

Award requirements contract for truck mounted service and utility bodies

November 18, 2008

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KEY OBJECTIVE BALANCE

The establishment of a requirements contract for the purchase of truck mounted service and utility bodies will balance all the Key Objectives. Customer Satisfaction and Employee Satisfaction will be enhanced through the efficient replacement of obsolete service and utility body trucks that no longer meet the operational requirements of the various divisions where they are assigned. Financial Management will be enhanced by reducing costs for maintenance.

BACKGROUND

The General Services Department, Fleet Management Division is seeking to establish a requirements contract for service and utility bodies to be installed on city-owned cab and chassis trucks used by various departments and divisions within the City of Fresno. The trucks receiving these custom designed bodies are used for a multitude of specialized functions within the city that vary from servicing water well sites, sewer lift station pumps, building maintenance, street maintenance, and various other activities that require an extensive amount of tools and equipment to be carried to the job site.

The majority of the service and utility bodies purchased under this contract will be for replacement trucks that have reached the end of their economic life and no longer function efficiently for the divisions to which they are assigned. The sixteen (16) body quantity listed in the bid specifications were for bidding purposes only and are representative of the different types of service and utility bodies that are purchased each year. Actual quantities and types will vary each year and be dependent on appropriations approved by the City Council in the Adopted Budget.

Specifications were prepared and sent out to fourteen (14) prospective bidders. A Notice Inviting Bids was published on August 27, 2008, and posted on the City's website. One (1) bid proposal was received at a public bid opening on September 25, 2008. Staff polled prospective bidders who did not bid to ascertain why they chose not to bid. Some indicated that they would be using Scelzi utility bodies and did not see any point in bidding against Scelzi. Others indicated that they did not want to enter into a long term contract with fixed pricing due to the volatile nature of the component commodities, particularly steel. Staff has reviewed the pricing offered in the bid proposal which is 10% above the previous contract and considers it very competitive considering that the price for steel has increased over 49% since January of 2008 based on Bureau of Labor Statistics data from the U.S. Department of Labor. Staff feels that rebidding this contract would not bring about additional bidders or achieve any better prices. This staff determination was posted on the City's website on October 20, 2008.

Staff recommends that the City Council award a one year requirements contract, with provisions for four one-year extensions, for truck mounted service and utility bodies in the amount of \$326,230.27 to Scelzi Enterprises, Inc. of Fresno, CA.

FISCAL IMPACT

Funding is available for truck mounted service and utility body purchases in the Fleet Replacement Fund appropriations approved in the Adopted FY 09 Budget.

Attachments: Fiscal Impact Statement
Evaluation of Bid Proposals

FISCAL IMPACT STATEMENT

ORGANIZATION: GENERAL SERVICES –Fleet Management Division - Fund: 50502 Org. 530501

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT FY</u>	<u>ANNUALIZED COST</u>
Direct Cost	<u>\$326,230.27</u>	<u>\$ 0</u>
Indirect Cost	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL COST	<u>\$326,230.27</u>	<u>\$ 0</u>
Additional Revenue or Savings Generated	<u>\$ 0</u>	<u>\$ 0</u>
Net City Cost	<u>\$326,230.27</u>	<u>\$ 0</u>
Amount Budgeted (If none budgeted, identify source.)	<u>\$350,000.00</u>	<u>\$ 0</u>

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR TRUCK-MOUNTED SERVICE AND UTILITY BODIES

Bid File No. 9011
Bid Opening: September 25, 2008

BIDDER'S	TOTAL NET BID AMOUNT
1. Scelzi Enterprises, Inc. 2286 E. Date Avenue Fresno CA 93706	\$326,230.27

Each bidder has agreed to allow the City ninety (90) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, November 5, 2008, 5:00 P.M.

The current contract pricing is 10% above the previous contract pricing. If the overage is greater than 10% or only one bid was received, give explanation:

Bid specifications were sent out to fourteen (14) prospective bidders for this project, but only one (1) of the prospective bidders was a local manufacturer and it was their proposal that was received on September 25, 2008. The Purchasing Division staff polled prospective bidders to ascertain why only one bid proposal was received and the answers varied from some using Scelzi Enterprises as their manufacturer and not seeing the point of bidding against them to not wanting to enter into a long term contract with fixed pricing.

Staff has reviewed the pricing offered in the new bid proposal and considers it very competitive considering that the price for steel has increased by over 49% since January of 2008 based on Bureau of Labor Statistics data from the U.S. Department of Labor.

BACKGROUND OF PROJECT (To be completed by Evaluating Department/Division. Explain need for project/equipment):

Included in the FY 09 Fleet Replacement and New Additional Program is the purchase of service and utility bodies for installation on city-owned cab and chassis trucks for use by various city divisions within the City of Fresno.

Each year the Fleet Management Division has numerous trucks to replace that are equipped with custom-designed service and utility bodies and it was determined that the most cost effective method of procurement was through a requirements contract. The quantities listed in the bid specifications were for bidding purposes only and are representative of the different types of service and utility bodies that are purchased each year. Actual quantities and types will vary each year and be dependent on appropriations approved by the City Council in the Adopted Budget.

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR TRUCK-MOUNTED SERVICE AND UTILITY BODIES

Bid File No. 9011
Bid Opening: September 25, 2008

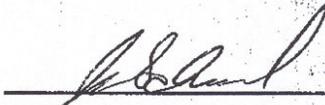
DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 326,230.27
to Scelzi Enterprises, Inc.
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Division Head Approval



Title Fleet Manager

Date 10/08/2008

Approve Dept. Recommendation

Approve GSD/Purchasing Recommendation

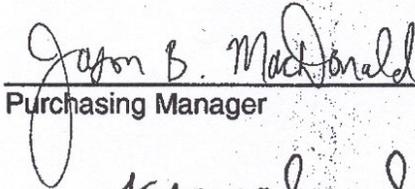
Disapprove

Disapprove

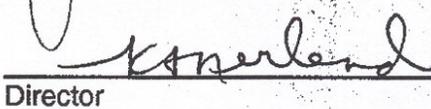
See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER


Purchasing Manager 10/15/2008
Date


City Manager or Designee 10/15/08
Date


Director 10/15/08
Date