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DEPARTMENT OF
GENERAL SERVICES

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

June 21, 1994

PS:Admin:94037:RBH:SA:bd

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

916-449-5551

PURCHASING
CENTRAL STORES
CENTRAL SERVICES

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF BID NO. 1638, 25-YARD REAR LOADING REFUSE TRUCKS, IN THE TOTAL AMOUNT OF \$684,767.41; AND BID NO. 1642, 40-YARD FRONT LOADING REFUSE TRUCKS, IN THE TOTAL AMOUNT OF \$251,997.08

LOCATION AND COUNCIL DISTRICT

City-wide-All Districts

STAFF RECOMMENDATION

It is recommended that, in the best interest of the City, the City Council adopt the specifications used in the bidding process and accept the lowest responsible bids submitted for the contracts resulting from Bid No. 1638 for 25-Yard Rear Loading Refuse Trucks and Bid No. 1642 for 40-Yard Front Loading Refuse Trucks. Award of both contracts is being recommended to T & J Garage, Inc., 755 No. Mathilda Ave., Sunnyvale, CA 94086, in the amounts of \$684,767.41 and \$251,997.08, respectively, for a total of \$936,764.49 for both contracts.

CONTACT PERSON: Steve Alstrom, Buyer II, 433-6240

FOR COUNCIL MEETING OF: June 21, 1994

SUMMARY

Attached are tabulations of sealed proposals received by the City Clerk for furnishing equipment in accordance with the specifications used in the bidding process, and recommendation of bid awards for Bid No. 1638 for 25-Yard Rear Loading Refuse Trucks and Bid No. 1642 for 40-Yard Front Loading Refuse Trucks, being purchased by the Fleet Management Division for use by the Solid Waste and Street Cleaning Divisions of the Public Works Department.

BACKGROUND

These refuse trucks are being purchased by the Fleet Management Division for use by other City organizations. Of the seven (7) total rear loaders in Bid No. 1638, five (5) are for the Solid Waste Division and two (2) are for the Street Cleaning Division. The two (2) front loaders in Bid No. 1642 are being purchased for the Solid Waste Division, one (1) of which is an additional unit necessitated by the direct haul of refuse to the County landfill.

Specifications for Bid Nos. 1638 and 1642 were publicly advertised and mailed by the City Clerk. Initial advertising and mailing to vendors, bid advertising firms and minority outreach agencies began on April 13, 1994 for Bid No. 1638 and on April 27, 1994 for Bid No. 1642. Sealed bid responses to both bids were publicly opened by the City Clerk on May 4, 1994, and May 18, 1994, respectively.

The following is a summary of the recommendation for contract awards:

<u>Bidder</u>	<u>Award Items</u>	<u>Contract Amounts</u>
T & J Garage 755 No. Mathilda Ave. Sunnyvale, CA 94086	All Items - Bid 1638	\$684,767.41 ⁽¹⁾
	All Items - Bid 1642	\$251,997.00 ⁽¹⁾

⁽¹⁾ The City Council hereby authorizes subsequent purchase(s) of identical units under the same terms and conditions within 365 days of award providing such purchase(s) has/have been approved and budgeted by the City Council.

These bids included provisions for a five percent (5%) bid evaluation preference, not to exceed \$25,000.00 total, for City-certified preference-eligible M/WBE firms. The firm recommended for award, T & J Garage, Inc., is a City-certified, preference-eligible Asian/Pacific Islander Male Owned Enterprise, located in Sunnyvale, CA, and is the lowest responsible bidder based on the application of this bid evaluation preference, which became effective January 1, 1994.

F. B. Hart Company, the low bidder for both bids before applying the M/WBE bid evaluation preference, has expressed dissatisfaction with staff's recommendation to award these contracts to T & J Garage, Inc. Representatives from F. B. Hart Company have indicated that they may attend the Council meeting in order to protest the proposed awards and M/WBE preference program in general.

Staff has advised F. B. Hart Company that current purchasing regulations and policies require that this M/WBE preference be applied in accordance with Section 57.01.102(c) of the Sacramento City Code. Knowledgeable of this current City policy, F. B. Hart feels obligated to speak to Council regarding this issue. They contend that the current M/WBE policy of the City curtails competition in a highly competitive industry and, in essence, creates a sole source vendor when only one known firm offering refuse trucks and related equipment is minority-

owned. Also, they contend that a company located in Sunnyvale, even though minority owned, should not receive a preference over a locally owned company that employs Sacramento citizens and contributes to the local economy, actively solicits minority subcontractors, and participates in affirmative action hiring practices.

FINANCIAL CONSIDERATIONS

Sufficient funds for these purchases are available in the Fleet Management Division's FY94 budget line for new and replacement vehicles.

POLICY CONSIDERATIONS

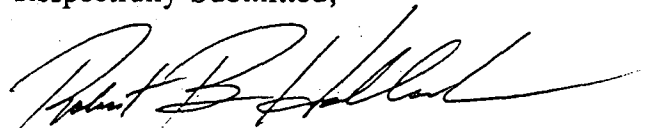
This recommendation is consistent with the requirements for competitive bidding as detailed in Title 57 of the Sacramento City Code.

MBE/WBE EFFORTS

Requests for bids (RFBs) were sent to thirteen vendors, five of which are M/WBE firms. The names of the prospective bidders were obtained from the City bid list and by researching the EBMUD Minority and Women Business Enterprise 1992-93 Directory and the State of California - Winter 1994 Disadvantaged Business (DB) and Women Business Enterprise (WBE) List. In addition, the RFBs were sent to several bid advertising agencies, including the Minority Business Exchange and the Sacramento Business Development Center.

Each bid included provisions for a five percent (5%) bid evaluation preference, not to exceed \$25,000.00 total, for City-certified, preference-eligible M/WBE firms. Of the two (2) bids received for each Request for Bid, one (1) was from a certified Minority-Owned Business Enterprise, T & J Garage, Inc., 755 No. Mathilda Avenue, Sunnyvale, Ca 94086. Award of both bids is being recommended to T & J Garage, Inc., a City-certified Asian/Pacific Islander Male Owned Enterprise, based on the application of this bid evaluation preference.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

**BID TABULATION SHEET FOR
BID NO. 1638 - 25-YARD REAR LOADING REFUSE TRUCKS**

<u>Bidder</u>	<u>Total, 4 Units No Options</u>	<u>Total, 3 Units w/Options 6.0 b, c and d</u>	<u>Total, Less Sales Tax</u>	<u>5% M/WBE Preference</u>	<u>Prompt Payment Discount</u>	<u>1% City Tax Preference</u>	<u>Net Total</u>
T & J Garage, Inc.)	\$363,880.00	\$271,635.00	\$635,515.00	Yes <25,000.00>	\$384.00 unit-20 days <2,688.00>	None	<u>\$607,827.00</u>
F. B. Hart Co. Inc.)	\$359,344.00	\$266,913.00	\$626,257.00	None	\$1,000.00 unit-20 days <7,000.00>	Yes <6,262.57>	\$612,994.43

Award of Contract To: T & J Garage, Inc.
755 No. Mathilda Ave.
Sunnyvale, CA 94086

Total Bid Amount: \$684,767.41⁽²⁾

Total Amount of Contract: \$684,767.41⁽¹⁾⁽²⁾

Original Estimated Cost: \$770,000.00

Using Department: Fleet Management Division for Solid Waste and Street Cleaning

Due Date: May 4, 1994

⁽¹⁾ The City Council hereby authorizes subsequent purchase(s) of identical units under the same terms and conditions within 365 days of award providing such purchase(s) has/have been approved and budgeted by the City Council.

⁽²⁾ Total(s) include 7 3/4% Sales Tax

<u>Total No. of Bids Solicited</u>	<u>No. of M/WBE Bids Solicited</u>	<u>No. of M/WBE Responses</u>	<u>Award to M/WBE Vendor</u>
13	5	1	Yes

**BID TABULATION SHEET FOR
BID NO. 1642 - 40-YARD FRONT LOADING REFUSE TRUCKS**

<u>Bidder</u>	<u>Unit Cost</u>	<u>Total Less Sales⁽³⁾ 5% Tax - 2 Units- No Options</u>	<u>M/WBE Preference</u>	<u>Prompt Payment Discount</u>	<u>1% City Tax Preference</u>	<u>Net Total</u>
T & J Garage, Inc.	\$116,936.00	\$233,872.00	Yes < 11,693.60 >	Not Acceptable	None	<u>\$222,178.40</u>
F. B. Hart Company	\$118,599.00	\$237,198.00	None	\$1,000/unit-20 days < 2,000.00 >	Yes < 2,371.98 >	\$232,826.02

Award of Contract To: T & J Garage, Inc.
 755 No. Mathilda Ave.
 Sunnyvale, CA 94086

Total Bid Amount: \$251,997.08⁽²⁾
 Original Estimated Cost: \$390,000.00⁽³⁾

Total Amount of Contract: \$251,997.08^{(1) (2)}

Using Department: Fleet Management Division for Solid Waste

Due Date: May 18, 1994

⁽¹⁾ The City Council hereby authorizes subsequent purchase(s) of identical units under the same terms and conditions within 365 days of award providing such purchase(s) has/have been approved and budgeted by the City Council.

⁽²⁾ Total(s) include 7 3/4 % Sales Tax

⁽³⁾ Original requirement was for three (3) units. Reduced to two (2) units because the Solid Waste Division restructured routes to eliminate the need for the third unit.

<u>Total No. of Bids Solicited</u>	<u>No. of M/WBE Bids Solicited</u>	<u>No. of M/WBE Responses</u>	<u>Award to M/WBE Vendor</u>
13	5	1	Yes