

DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

October 24, 1995

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: NULLIFY AWARD OF BID NO. 1665, QUICK ATTACK GRASS RIG FIRE TRUCKS, AND AWARD CONTRACT TO THE NEXT LOWEST BIDDER, IN A TOTAL AMOUNT OF \$447,365.07

LOCATION AND COUNCIL DISTRICT

City-wide-All Districts

STAFF RECOMMENDATION

It is recommended that, in the best interest of the City, the City Council declare the award of Bid No. 1665 for four (4) each Quick Attack Grass Rig Fire Trucks to G. Paoletti Co., Inc. a nullity, and award the contract to the next lowest responsible bidder, Westates Truck Equipment Corp., in a total amount of \$447,365.07.

CONTACT PERSONS: Robert B. Holbrook, Procurement Services Manager, 433-6202
Steve Alstrom, Buyer II, 433-6343

FOR COUNCIL MEETING OF: October 24, 1995

SUMMARY

This report recommends that the City Council nullify the original award of Bid No. 1665 for Quick Attack Grass Rig Fire Trucks, and award contract to the next lowest bidder in a total amount of \$447,365.07.

BACKGROUND

On May 30, 1995, City Council awarded Bid No. 1665 for four (4) Quick Attack Grass Rig Fire Trucks to G. Paoletti Co., Inc. of San Leandro, CA, in a total amount of \$398,097.46. Upon receipt of proof of insurance, a City Business Operations Tax Certificate and a one hundred percent (100%) faithful performance bond, a purchase order was issued to G. Paoletti Company on July 12, 1995. A pre-construction meeting was subsequently held with G. Paoletti Co. by staff from the Fleet and Facility Management Division, and everything appeared satisfactory.

On October 3, 1995, Procurement Services was verbally notified that G. Paoletti Company had filed for Chapter 7 Bankruptcy. This was confirmed in a letter from the president of G. Paoletti Co., received by Procurement Services on October 10, 1995 indicating that G. Paoletti Co. was unable to perform the contract. Because of G. Paoletti's



default, Procurement Services and the Fleet and Facility Management Division of Public Works recommend that the City Council declare the contract award to them a nullity, and award Bid No. 1665 to the next lowest responsible bidder. The next lowest bidder is Westates Truck Equipment Corp., with a total bid amount of \$447,365.07. The surety that provided the performance bond for the contract with G. Paoletti Co. will be assessed for the increased cost, which will total \$49,267.61.

Westates Truck Equipment Corp., located at 285 Industrial Way, Woodland, CA 95695 has furnished this type of fire truck to the City in the past as a result of formal competitive bidding. The units they supplied have performed satisfactorily, and Westates has assured City staff that they will adhere to all terms and conditions as originally bid, including the issuance of the required performance bond.

A copy of the bid tabulation for Bid No. 1665 is attached (Attachment #1) to this report for Council's reference.

FINANCIAL CONSIDERATIONS

Funds for this purchase are available in the Fleet and Facility Management Division's FY96 budget line for new and replacement vehicles. As noted above, while this contract award recommendation represents an increase in cost, staff anticipates that the cost difference will be recovered from the surety company that provided the performance bond for the original contract.

ENVIRONMENTAL CONSIDERATIONS

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

POLICY CONSIDERATIONS

This recommendation is consistent with the requirements for competitive bidding and for alternative award upon failure of bidder to enter into or perform a contract, as detailed in Sections 57.03.306 and 57.03.311 of the Sacramento City Code.

MBE/WBE EFFORTS

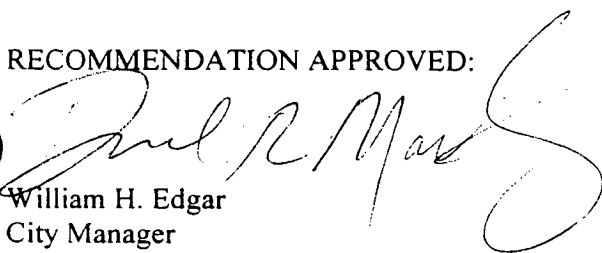
Requests for bid (RFB) were originally sent to eighteen vendors, none of which were known M/WBE firms. No M/WBE firms were found that supply this type of emergency fire fighting apparatus. Of the five bids received, none was from a City-certified Minority/Woman-Owned Business Enterprise.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

**BID TABULATION SHEET FOR
BID NO. 1665 - QUICK ATTACK GRASS RIG FIRE TRUCKS**

<u>Bidder</u>	<u>Unit Cost</u>	<u>Total, 4 Units</u>	<u>Total Bid Including Sales Tax</u>	<u>M/WBE Preference</u>	<u>Prompt Payment Discount</u>	<u>City Tax Preference</u>
Central States Fire Apparatus, Inc.	\$125,622.00	\$502,488.00	\$541,430.82	None	None	None
Tech 2000/3D	\$109,628.20	\$438,512.80	\$472,497.54	None	None	None
West-Mark	\$113,842.00	\$455,368.00	\$490,659.02	None	None	None
Westates Truck Equipment Corp.	\$103,797.00	\$415,188.00	<u>\$447,365.07</u>	None	Not Acceptable	None
G. Paoletti Co. Inc.	\$ 92,366.00	\$369,464.00	<u>\$398,097.46</u>	None	5%-21 days	None

Award of Contract To:

~~G. Paoletti Co. Inc.
496 Hester Street
San Leandro, CA 94577~~

Westates Truck Equipment Co.
285 Industrial Way
Woodland, CA 95695

⁽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.

Original Estimated Cost: \$480,000.00

Total Amount of Contract: ~~\$398,097.46⁽¹⁾~~ \$447,365.07⁽¹⁾Total Bid Amount: ~~\$398,097.46~~ \$447,365.07

Due Date: April 19, 1995

Using Department: Fleet & Facility Management Division for Fire Department

Total No. of
Bids Solicited

15

No. of M/WBE
Bids SolicitedNone
KnownNo. of M/WBE
Responses

0

Award to
M/WBE Vendor?

No