



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
March 24, 2009

Honorable Mayor and
Members of the City Council

Title: Contract: Allison Transmission Repairs and Services

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) awarding Cummins West, Inc., a four-year contract for Allison transmission repairs and services for the City's heavy duty fleet in an amount not to exceed \$1,787,638 for the four year period; and 2) authorizing the City Manager or the City Manager's designee to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Keith Leech, Fleet Manager, 808-5869; Marc Robles, Program Analyst, 808-6343

Presenters: Not applicable

Department: General Services

Division: Fleet Management

Organization No: 13001311

Description/Analysis:

Issue: In support of City departments, the Department of General Services, Fleet Management Division is responsible for maintaining the City's heavy duty fleet. The recommended contract will provide for repairs and services for fleet equipment with Allison transmissions.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3) which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves transmission repairs and services for the City's fleet of heavy duty vehicles.

Sustainability Considerations: Not applicable

Rationale for Recommendation: The recommended contract is necessary for the Department of General Services, Fleet Management Division, to provide support to City departments in the repair of the City's heavy duty fleet.

In February 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246029 for Allison transmission repair and services. Three responses were received. The lowest responsive and responsible bidder was determined to be Cummins West, Inc. A summary of the bid results is provided in Attachment 1.

Financial Considerations: This report recommends awarding and executing a four-year contract with Cummins West, Inc., for Allison transmission repairs and services for the City's heavy duty fleet. A four year contract term is recommended instead of a one-year contract with three annual renewal options to obtain better pricing. Vendors are generally more willing to offer lower pricing when a long term contract is offered. Additionally, the vendor population for this contract is limited due to the fact that vendors are required to be authorized by Allison to perform repairs. The potential four year term of this contract will begin in FY2008/09 and conclude in FY2012/13. The estimated annual amounts are as follows:

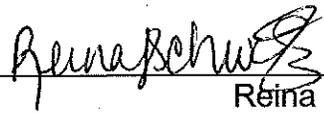
Vendor	Year 1 Estimate	Year 2 Estimate	Year 3 Estimate	Year 4 Estimate	Total Contract Amount
Cummins West, Inc.	\$402,626	\$430,810	\$ 460,967	\$493,235	\$1,787,638

The amounts listed above include a seven percent annual price increase to allow for potential labor and commodity increases associated with the purchase of parts and services. Price increases are allowed only when the manufacturer increases pricing to its distributors.

Sufficient funds are available in the Department of General Services, Fleet Management, FY2008/09 operating budget (Fleet Fund 6501) to purchase the required services through June 30, 2009. Purchases after June 30, 2009 are subject to funding availability in the adopted budget of the applicable fiscal year.

Emerging Small Business Development (ESBD): Cummins West, Inc. is not certified as an emerging/small business firm.

Respectfully submitted by: 
Keith Leech
Fleet Manager

Approved by: 
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:


for Ray Kerridge
City Manager

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Attachment 1

BID RESULTS - BID NO. B093246029

Allison Transmission Repairs and Services

Bidders	Acme Truck Parts	Cummins West, Inc.	Suburban Ford ⁽¹⁾
Total - Items 1 through 18	\$403,944.44	\$402,626.22	\$382,618.80
ESBE Pref - 5%	NA	NA	NA
Prompt Payment Discount	NA	NA	NA
1% City Limit Preference	NA	NA	NA
Subtotal	\$403,944.44	\$402,626.22	\$382,618.80
Bid Evaluation Total	\$403,944.44	\$402,626.22	\$382,618.80
Bid Total	\$403,944.44	\$402,626.22 ⁽²⁾	\$382,618.80

⁽¹⁾ Bid submitted by this vendor was non-responsive, as all items were not priced.

Award of contract to:

Cummins West, Inc.
 875 Riverside Parkway
 West Sacramento, CA 95691

Total Contract Amount (4 years): \$1,787,638.00

No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
0	0	No

⁽²⁾The lowest responsible bid amount of \$402,626.22 represents the total for the estimated services selected for evaluation purposes only. Authorization is requested to enter into a contract in a total amount not to exceed \$1,787,638, which includes a 7% increase per contract year to allow for potential labor and commodity increases associated with the purchase of parts and services. The total contract amount of \$1,787,638 more closely reflects the actual amount anticipated to be expended overall for the four year contract.

RESOLUTION NO. 2009-XXXX

Adopted by the Sacramento City Council

March 24, 2009

**AWARD CONTRACT FOR ALLISON TRANSMISSION REPAIRS
AND SERVICES**

BACKGROUND

- A. In support of City departments, the Department of General Services, Fleet Management Division is responsible for maintaining the City's heavy duty fleet. The recommended contract will provide for repairs and services for fleet equipment with Allison transmissions.
- B. In February 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246029 for Allison transmission repairs and services. Three bidders responded. The lowest responsive and responsible bidder was determined to be Cummins West, Inc.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Cummins West, Inc. is awarded a four-year contract for Allison transmission repairs and services in an amount not to exceed \$1,787,638 for the four year period beginning in FY2008/09 and concluding in FY2012/13.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).