

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott Johnson

SUBJECT: SEE BELOW

DATE: May 22, 2006

Approved

Deanna Sub

Date

6/1/06

SUBJECT: REPORT ON BIDS FOR EIGHT (8) UNMARKED PUBLIC SAFETY VEHICLES

RECOMMENDATION

Report on bids and approval of the award for the purchase of eight (8) unmarked Public Safety vehicles from Courtesy Chevrolet (Morgan Hill, CA), the low responsive bidder, in an amount not to exceed \$137,208.61, including tax and fees, and authorization to the Director of Finance to execute the purchase order.

OUTCOME

With the purchase of these vehicles, the Police Department will be able to maintain existing service levels, while enhancing operational capabilities using the new technology available with this acquisition.

BACKGROUND

The General Services Department/Fleet Management Division has requested the purchase of eight (8) unmarked sedans equipped with a police package on behalf of the Police Department. The Police Department utilizes the vehicles in the follow-up and investigations of all reported crimes.

The new vehicles will replace units in the fleet that are part of the approved fleet complement and have failed mechanically or incurred significant accident damage. The out of service police vehicles averaged 8 years of service. The vehicles did not achieve the recommended replacement criteria of 10 years and 100,000 miles. However, it is economically more advantageous to replace these vehicles than to invest in additional repairs. Additional repairs do not ensure a higher level of reliability. The replacement of these vehicles was approved by

General Services and the City Manager's Budget Office in accordance with the vehicle replacement process as recommended by the City Auditor's Office.

ANALYSIS

A notice inviting bids was published on March 10, 2006. In addition, bid packages were e-mailed to seventeen (17) vendors. A pre-bid conference was held on March 21, 2006, to answer questions from prospective vendors regarding the vehicle specifications. Two (2) bids were publicly opened on March 30, 2006 and are listed below. The Local and Small Business Preference had no effect on the award of contract. The bid analysis below is based on the bid quantity of eight (8) vehicles.

Bidder	Unit Cost	Bid Price (Including Tax/Fee)
Courtesy Chevrolet (Morgan Hill, CA)	\$17,151.08	\$137,208.61
Hoblit Motors (Colusa, CA)	\$23,419.89	\$187,359.10

The lowest bidder, Courtesy Chevrolet, requested in writing that the City remove their bid from consideration due to pricing errors in the bid on April 13, 2006. However, Finance rejected the request since Courtesy Chevrolet submitted a valid bid and the pricing error could not be documented as an excusable clerical error. After receiving Finance's rejection, Courtesy Chevrolet agreed to honor their bid as submitted.

SUMMARY

Staff recommends the award of eight vehicles to Courtesy Chevrolet, the lowest responsive bidder, in accordance with the bid procedures of the San Jose Municipal Code, Section 4.12.030.

PUBLIC OUTREACH

The City of San Jose bid was placed on the City of San Jose web site and on the DemandStar bid notification system.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, General Services, and Police.

COST IMPLICATION

This Council item is consistent with Council approved Budget Strategy Memo, General Principle #2, "We must focus on protecting our vital core city services".

May 22, 2006

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BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn.	Amount for Contract	2005-2006 Adopted Operating Budget	Last Budget Action (Date, Ord. No.)
552	0084	Vehicle Replacement	001104	\$5,024,148	N/A	Pg. XI-80	10/18/05 Ord No. 27580

CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at 408 535-7051.