



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P Johnson

SUBJECT: SEE BELOW

DATE: August 3, 2009

Approved

Date

8/5/09

**SUBJECT: REPORT ON BIDS FOR THE PURCHASE AND INSTALLATION OF
DIESEL PARTICULATE FILTER RETROFITS ON CITY VEHICLES**

RECOMMENDATION

Report on bids and award the purchase of 51 diesel particulate filter retrofits on City vehicles to Cummins West Inc. (San Leandro, CA), the lowest responsive bidder, not to exceed \$720,055.61 of total compensation, including installation and sales tax; and authorize the Director of Finance to:

1. Execute the purchase order to purchase and install 51 diesel particulate filter retrofits.
2. Purchase and install additional quantities of diesel particulate filter retrofits on an as-required basis at the same unit price for a period of twelve months from the date of the initial purchase order, subject to the appropriation of funds.

OUTCOME

Provide diesel particulate filter retrofits for each vehicle in the City's on-road diesel fleet in order to drastically reduce particulate matter pollution and ensure compliance with State law that requires on-road diesel powered vehicles be equipped with the emission reduction devices prior to January 1, 2010.

BACKGROUND

The General Services Department/Fleet Management Division requires the purchase and installation of 51 diesel particulate filter retrofits to comply with the California Environmental Protection Agency, Air Resources Board Fleet Rule for Public Agencies and Utilities (Title 13, California Code of Regulations, Sections 2022 and 2022.1) to reduce particulate matter

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emissions from on-road heavy duty diesel-fueled vehicles owned or operated by public agencies and utilities.

The vehicles affected are utilized throughout the City and play an essential role in the maintenance and repair of City streets, sewers, streetlights and parks.

ANALYSIS

On May 19, 2009, the Finance Department released a Request for Bids (RFB) through the City's e-procurement system. Fifteen companies viewed the bid documents, from which six bids were received and publicly opened on May 28, 2009, from the following:

- A-Z Bus Sales Inc. (Sacramento, CA)
- Bayshore International Trucks (San Jose, CA)
- Coast Counties (San Jose, CA)
- Cummins West Inc. (San Leandro, CA)
- Ironman (ARICO) (Corona, CA)
- Norcal Kenworth Bay Area, (San Leandro, CA)

Bids received from A-Z Bus Sales, Bayshore International Trucks and Norcal Kenworth Bay Area were deemed non-responsive because their retrofit devices are not compatible with several of the City's vehicle requirements.

Responsive bids were received from Coast Counties, Cummins West Inc., and Ironman as summarized in the following table:

Item Description	Qty	Coast Counties (San Jose, CA)	Cummins West Inc. (San Leandro, CA)	Ironman (ARICO) (Corona, CA)
		Extended Price	Extended Price	Extended Price
1. Diesel Particulate Filter Retrofit	51	\$685,375.23	\$542,385.00	\$578,085.00
2. Installation Services	51	\$144,000.03	\$127,500.00	\$110,415.00
Base Bid Total:		\$829,375.26	\$669,885.00	\$688,500.00
Estimated Sales Tax @ 9.25		\$ 63,397.21	\$ 50,170.61	\$ 53,472.86
Subtotal:		\$892,772.47	\$720,055.61	\$741,972.86
Local Business Preference (2.5% of Base Bid Total)		\$ (20,734.38)	\$0.00	\$0.00
Small Business Preference (2.5% of Base Bid Total)		\$0.00	\$0.00	\$0.00
ADJUSTED Bid Total:		\$872,038.09	\$720,055.61	\$741,972.86

Coast Counties requested and received consideration for the City's Local Business preference. The preference was not a factor in the award.

The City's Living Wage policy applies to the installation of the Particulate Filters.

No protests were received by the ten-day protest period that commenced after the notice of intent to award was sent to all bidders on June 10, 2009.

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Therefore, staff recommends the award to Cummins West Inc. as the lowest responsive bidder in accordance with the formal bidding procedures of the San José Municipal Code, Section 4.12.310.B.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this memorandum will be posted on the Council Agenda for August 25, 2009.

COORDINATION

This memorandum was coordinated with the Department of General Services, Office of Equality Assurance, City's Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

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

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COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT
 Total Project Cost: **\$720,055.61**

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Description	Cost
Diesel Particulate Filter Retrofit Products	\$542,385.00
Installation Services	\$127,500.00
Estimated Sales Tax @ 9.25%	\$ 50,170.61
Total (Not to Exceed Contract Amount)	\$720,055.61

3. SOURCE OF FUNDING: General Services Department

4. FISCAL IMPACT: FY 09-10 **\$720,055.60**

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	2009-2010 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
552	3510	Diesel Retrofit Mandate	\$482,000	XI-90	N/A
552	0592	General Services Non-Personal/Equipment	\$2,293,395	XI-90	N/A

* The 2009-2010 Operating Budget was Adopted on 6/23/2009.

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CEQA

Not a project.



SCOTT P. JOHNSON
Director, Finance

For questions please contact Scott P. Johnson, Director of Finance at (408)535-7000.