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DEPARTMENT OF
GENERAL SERVICES

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

September 28, 1993

PS:Admin:RBH/SEA:bd

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

916-449-5551

City Council
Sacramento, California

PURCHASING
CENTRAL STORES
CENTRAL SERVICES

Honorable Members In Session:

**SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF BID NO. 1614,
AUTOMATED SIDE-LOADING REFUSE TRUCKS, IN THE TOTAL AMOUNT
OF \$1,754,911.36**

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 bid submitted for the contract resulting from Bid No. 1614 for Automated Side-Loading Refuse Trucks to F.B. Hart Co., Inc., 1441 Richards Blvd., Sacramento, CA 95814, in the amount of \$1,754,911.36.

CONTACT PERSONS:

Gene Moore, Fleet Manager, 433-6230

Bob Holbrook, Procurement Services Manager, 433-6202

FOR COUNCIL MEETING OF: September 28, 1993

SUMMARY

Attached (Attachment "A") is a tabulation 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 award for Bid No. 1614 for Automated Side-Loading Refuse Trucks, being purchased by Fleet Management for use in Solid Waste disposal operations. Also attached (Attachment "B") is a report



from the Fleet Manager which provides information regarding the review process used by Fleet Management in evaluating the bids received.

BACKGROUND

In December 1992, the City Council gave tentative approval to the formation of a Joint Powers Authority between the City of Sacramento and County of Sacramento for the purpose of consolidating the solid waste collection and disposal services of the two agencies. In efforts to standardize equipment, both Agencies participated in the preparation of specifications for automated side-loading refuse trucks. As part of this consolidation effort and the closure of the 28th Street Landfill, hauling of solid waste to the County landfill site has substantially increased the number of miles travelled by the City's waste collection trucks. In order to facilitate the waste collection operations, it is necessary for the City to purchase sixteen (16) replacement automated side-loading refuse trucks. Nine trucks were scheduled in the replacement cycle for fiscal year 1992-93 (FY-93) and seven more for the current fiscal year 1993-94 (FY-94). In April, 1993, Bid No. 1608 was issued calling for purchase of the nine trucks scheduled for purchase in FY-93, but each of the two bids received was rejected and the bid was cancelled, due to neither bid being responsive to the bid specifications. In July, 1993, a new bid, No. 1614, was issued with revised specifications, calling for the purchase of sixteen trucks (a combination of the FY-93 and FY-94 replacements).

In the solicitation conducted under Bid No. 1608, two bids were received. The apparent low bidder was T & J Garage, Inc. of Sunnyvale, CA, a City-certified minority business enterprise (MBE). The other bidder was F.B. Hart Co., Inc. of Sacramento, CA. However, because both of the bids were non-responsive to the bid specifications, the bid was cancelled and both bids were rejected, on the advice of the City Attorney's office.

Bid No. 1614, which incorporated revised specifications, also resulted in the receipt of two bids - from the same two vendors that had submitted bids previously. No deviations or exceptions to the specifications were noted on either of the bids received, and no issues have been raised by either bidder regarding the specifications. Both bids were found to be responsive to the bid specifications. Following evaluation of the bids, F.B. Hart Co., Inc. has been determined to be the lowest responsible bidder. The bids were evaluated based on the base vehicle cost, without the addition of any of the options listed in the bid. In accordance with existing City regulations and policies, the prompt-payment discount (\$500/vehicle - 20 days) and a one percent (1%) local tax preference were deducted from the bid submitted by F.B. Hart Co., Inc. of Sacramento. The prices offered by T & J Garage, Inc. were net, with no discounts offered and, because the firm is located in Sunnyvale, CA, the bid is not eligible for the one percent (1%) local tax preference. After the applicable deductions were applied, the bid submitted by F.B. Hart Co., Inc. is \$352.28 per vehicle lower (\$5,636.48 total for 16 vehicles) than the bid submitted by T & J Garage, Inc. for the base vehicle. Fleet Management has determined that options 7.0b (Ridewell or Volvo T-ride suspension) and option 7.0e (Extended Reach Arm) should be ordered on each truck. When these options are added to the base vehicle price and the applicable deductions are applied, the F.B. Hart Co., Inc. bid is \$1,401.56 per vehicle lower (\$22,424.96 total for 16 vehicles) than the T & J Garage, Inc. bid. The total net bid price per vehicle, with selected

options, from F.B. Hart Co., Inc. is \$108,164.03, versus \$109,565.59 from T & J Garage, Inc. For all options listed in the bid, the prices offered by F.B. Hart Co., Inc. were the same as or lower than those offered by T & J Garage, Inc.

Representatives of T & J Garage, Inc. have advised City staff of their dissatisfaction with the bidding process for the acquisition of these vehicles. They were displeased that Bid No. 1608 was cancelled and both bids rejected, since they were the apparent low bidder. However, the City Attorney's office advised that there existed no option other than to reject the bids, since both bids received contained exceptions to the bid specifications.

Specifications for the vehicles were revised, and bids were solicited for the revised requirements under Bid No. 1614. No deviations or exceptions to the specifications were noted on either of the two bids received under Bid No. 1614, and no issues have been raised by either bidder regarding the specifications. With F.B. Hart Co., Inc. submitting the lowest responsible bid under Bid No. 1614, however, T & J Garage, Inc. representatives have voiced additional concerns, and have indicated that they may appear before the City Council to protest award of the bid to F.B. Hart Co., Inc.. Primary among their concerns is the application of the one percent (1%) tax preference to the F.B. Hart Co., Inc. bid, since it makes the difference in which bid is the lowest; they contend that they should also receive the preference since they would deliver the vehicles in Sacramento. Staff has consulted the City Attorney's Office, which verified that the one percent (1%) preference has been properly applied in the bid evaluation process (i.e., F.B. Hart Co., Inc. is eligible for the preference because the business is based in Sacramento, while T & J Garage, Inc. is not eligible for the preference because the business is based in Sunnyvale). The requirements for application of the one percent preference are set forth in the Sacramento City Code.

T & J Garage, Inc. representatives also questioned whether the bid submitted by F.B. Hart Co., Inc. complies with requirements of the City's South Africa Ordinance, which prohibits the purchase of commodities that are manufactured or produced in South Africa or Namibia. Staff has determined that the F.B. Hart Co., Inc. bid is in compliance with the requirements of the ordinance.

Additionally, T & J Garage, Inc. representatives contend that the lower pricing offered under Bid No. 1614 is due only to the competition that their firm has provided, and that it was the rejection of Bid No. 1608 that caused F.B. Hart Co., Inc. to submit a lower bid this time. They further are unhappy that there is no M/WBE vendor preference applicable to the evaluation of this bid. They have been advised that at this time no such preferences have been adopted by the Council, and thus none can be applied in the evaluation of this bid.

FINANCIAL CONSIDERATIONS

The cost of each truck, including selected options and sales tax, is \$109,681.96, for a total of \$1,754,911.36 for the 16 trucks. As noted above, nine trucks were scheduled for replacement in FY-93 and another seven are scheduled for FY-94 replacement. Sufficient funds have been budgeted and are available in the Fleet Management Vehicle Replacement Fund.

POLICY CONSIDERATIONS

The recommendations contained in this report are in accordance with the requirements for formal competitive bidding of the Sacramento City Code and current City policies. Representatives of T & J Garage, Inc. have expressed their desire that a preference be given to M/WBE firms in the bidding process. However, as noted above, in the absence of Council adopting a policy of offering such preferences and necessary changes being made in the City Code to allow consideration of such preferences in determining lowest responsible bidder, no such preferences are available for use in the bid evaluation process.

MBE/WBE EFFORTS

Requests for bid (RFB) were sent to 13 vendors, 5 of which are M/WBE firms. The M/WBE firms were identified from the City's Bid List and by researching the East Bay Municipal Utility District (EBMUD) Minority and Women Business Enterprise 1992-93 Directory and the Human Rights Commission MBE/WBE Directory. In addition, the RFB was sent to several bid advertising agencies, including the Minority Business Exchange and the Sacramento Minority Business Development Center. As noted above, two bids were received, one of which is from an MBE firm. The vendor to which award is recommended is not an M/WBE firm.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

Approved:



Betty Masuoka
Director of Finance

RECOMMENDATION APPROVED:



For William H. Edgar
City Manager

Attachments

ATTACHMENT A

F. B. Hart Co., Inc.

T & J Garage, Inc.

1. Basic Unit, no options

Unit Cost, less Sales Tax \$100,843.00
 Unit Cost, including Sales Tax \$108,658.33
 Prompt Payment Discount <500.00>
 City Tax Preference <1,008.43>
 Net Total \$107,149.90

1. Basic Unit, no options

Unit Cost, less Sales Tax \$ 99,770.00
 Unit Cost, including Sales Tax \$107,502.18
 Prompt Payment Discount None
 City Tax Preference None
 Net Total \$107,502.18

2. Basic Unit, including Options 7.0b and 7.0e

Unit Cost, less Sales Tax \$101,793.00
 Unit Cost, including Sales Tax \$109,681.96
 Prompt Payment Discount <500.00>
 City Tax Preference <1,017.93>
 Net Total \$108,164.03

2. Basic Unit, including Options 7.0b and e

Unit Cost, less Sales Tax \$101,685.00
 Unit Cost, including Sales Tax \$109,565.59
 Prompt Payment Discount None
 City Tax Preference None
 Net Total \$109,565.59

3. Total Bid, 16 units, includ. Options 7.0b and 7.0e

Total Cost, less Sales Tax \$1,628,688.00
 Total Cost, including Sales Tax \$1,754,911.36
 Prompt Payment Discount <8,000.00>
 City Tax Preference <16,286.88>
 Net Total \$1,730,624.48

3. Total Bid, 16 units, includ. Options 7.0b and e

Total Cost, less Sales Tax \$1,626,960.00
 Total Cost, including Sales Tax \$1,753,049.44
 Prompt Payment Discount None
 City Tax Preference None
 Net Total \$1,753,049.44

ATTACHMENT A Con't

BID TABULATION SHEET FOR
BID NO. 1614 - SIDE LOADING REFUSE TRUCKS

Total Award of Contract To: F. B. Hart Co., Inc.
1441 Richards Blvd.
Sacramento, CA 95814

Original Estimated Cost: \$1,960,000.00

Total Bid Amount: \$1,754,911.36

Total Amount of Contract: \$1,754,911.36*

Using Department: Fleet Management for Solid Waste

Due Date: August 11, 1993

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.

Total No. of Bids Solicited	No. of M/WBE Bids Solicited	No. of M/WBE Responses	Award to M/WBE Vendor?
13	5	1	No

