

Report Prepared by: Wally Broughton, Public Works Manager-Operations.

..Title

SUBJECT: Award Bid to Merced Chevrolet for the Purchase of Two (2) New Crew Cab Pickups for the Fire Department and Three (3) New Four-Door Sedans for the Police Department, for a Total Cost of \$145,001.37

REPORT IN BRIEF

Considers awarding the Bid to Merced Chevrolet for the purchase of two new crew cab pickups for the Fire Department and three four-door sedans for the Police Department to replace vehicles at end-of-life cycle.

RECOMMENDATION

City Council – Adopt a motion:

- A. Awarding the bid to Merced Chevrolet for the supply of two new crew cab pickups and three four-door sedans, for a total amount of \$145,001.37; and,
- B. Authorizing the City Manager or the Deputy City Manager to execute the necessary documents and the City Buyer to issue the Purchase Order.

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ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Deny; or,
- 3. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
- 4. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Article XI, Section 1111-Competitive bidding, and Merced Municipal Code (MMC) Chapter 3.04, Article III – the purchase of materials, supplies, equipment, and contractual services of an estimated value greater than thirty-four thousand dollars (\$34,000.00), the "contract threshold," shall be made by the purchasing supervisor by written contract with the lowest responsible bidder.

MMC Section 3.04.215 and Resolution No. 2018-18 – Local Business Preference Policy. A Local Business is defined as a business having a valid physical address located within Merced to perform business, has conducted business in Merced for at least 6 months prior to bid, and holds a valid Merced business license for at least 6 months prior to bid.

CITY COUNCIL PRIORITIES

As provided for in the FY 21/22 Adopted Budget.

DISCUSSION

Staff prepared bid specifications for *three* pickups and three sedans, and the invitation for bids was advertised both in the Merced County Times newspaper and the City's website. Bids were publicly opened on August 26, 2021 at 2:00 p.m., with the following results:

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|---|---------------|
| • Merced Chevrolet (Merced, CA) | \$ 184,913.88 |
| • Winner Chevrolet, Inc. (Colfax, CA) | \$ 180,402.41 |
| • Courtesy Chevrolet Center (San Diego, CA) | \$ 179,903.17 |

Bids were evaluated based on the following criteria: purchase price, delivery time, warranty, past performance.

Based on available funding, staff recommends awarding the bid for the purchase of *two* pickups and three sedans to Merced Chevrolet for the total amount of \$145,001.37.

<u>Vehicle</u>	<u>Unit Price</u>	<u>Discount</u>	<u>Subtotal</u>
Pickup (2)	\$ 46,935.00	\$ 3,817.20	\$ 86,235.60
Sedan (3)	\$ 25,176.25	\$ 1,540.35	\$ 70,907.70
		Subtotal	\$ 157,143.30
		Sales Tax	\$ 12,964.32
		CA Tire Fee	\$ 43.75
		Other Fee	\$ 150.00
		Rebate	(\$ 25,300.00)
		Total Amount	\$ 145,001.37

Local Business Preference Policy

In 2018, City Council adopted the Local Business Preference Policy. The policy allows for a 5% local preference for purposes of quantitative comparisons. Based on the submitted bid amount of \$184,913.88 for the only local bid received, Merced Chevrolet, the 5% preference would put their bid at \$175,668.19 for quantitative comparison purposes only (this does not reduce the amount ultimately paid to the vendor).

IMPACT ON CITY RESOURCES

The vehicles were approved in the FY 2021/22 adopted budget; no additional funding is needed. All vehicles will be purchased using funds budgeted in Fund 674 - Fleet Replacement.

ATTACHMENTS

1. Bid Results
2. Resolution 2018-18, Local Business Preference Policy