

MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager
DATE: December 9, 2014
SUBJECT: Original Equipment Manufacturer Auto Parts – Multiple Vendors

ACTION REQUESTED

1. Approve the renewal of negotiated blanket purchase orders with Sonsray Machinery of Los Angeles, CA, Holt of California of Sacramento, CA, Silver State International of Sparks, NV, Smith Power Products of Sparks, NV, Gillig LLC of Hayward, CA, Motor Coach Industries Service Parts Inc. of Schaumburg, IL, Snoquip Inc. of West Sacramento, CA, Sacramento Truck Center of Sacramento, CA, A-Z Bus Sales Inc. of Sacramento, CA, Nixon-Egli Equipment Co. Inc. of Tracy, CA, and Edward R. Bacon Co. Inc. of Sacramento, CA, for the purchase of Original Equipment Manufacturer automotive parts and service on an as-needed basis on behalf of the Placer County Fire Department and the Department of Public Works Fleet Services and Road Maintenance Divisions in the maximum aggregate amount of \$300,000, funded by each department's annual budget with no net County cost, for the period of December 9, 2014 through December 31, 2015;
2. Approve the option to renew the resulting blanket purchase orders for three additional one-year terms, and authorize change orders for additional parts or services at a combined three-year total not to exceed 10 percent (\$30,000) in aggregate of the recommended aggregate amount of \$300,000; and
3. Authorize the Purchasing Manager to sign the resulting blanket purchase orders and to transfer funds between all of the Original Equipment Manufacturer blanket purchase orders as needed.

BACKGROUND

The Placer County Fire Department and the Department of Public Works Fleet Services and Road Maintenance Divisions require annual blanket purchase orders (BPOs) for the purchase of Original Equipment Manufacturer (OEM) automotive parts and dealer services on an as-needed basis to support each department's fleet and equipment maintenance operations. On November 18, 2014 your Board approved the award of competitive Bid No. 10383 for OEM automotive products and dealer services needed throughout Placer County to the following firms:

Elliott Auto Supply Co. – Kansas City, MO
Cummins Pacific LLC – West Sacramento, CA
Riverview Intl. Trucks – West Sacramento, CA
Magnussen's Auburn Dodge – Auburn, CA
Pape Machinery – Sacramento, CA
Owen Equipment Sales – Sacramento, CA

Maita Honda – Citrus Heights, CA
Auburn Ford – Auburn, CA
New Flyer Industries – Winnipeg, MB (Canada)
Valley Power Products – West Sacramento, CA
Gold Rush Chevrolet – Auburn, CA

The departments submitted requests to renew BPOs for the other OEM brands that were not awarded as the result of competitive Bid No. 10383. The majority of the vendors have agreed to renew at the same pricing, terms and conditions. Holt of California and Silver State International agreed to renew with proposed price increases averaging from .45% to 1.78% overall. The proposed price increases are attributed to rising labor costs that the vendors cannot absorb.

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Procurement Services determined that these proposed increases are reasonable and supported by each vendor's satisfactory level of service provided to the departments and the vendor's ability to meet the County's requirements. Placer County Purchasing Policy Manual Section 1.3(o) also allows for the renewal of a contract based on the vendors' satisfactory contract performance.

FISCAL IMPACT

Upon your Board's approval, BPOs will be awarded to the firms noted above in the maximum aggregate amount of \$300,000 and will be effective for the period of December 9, 2014 through December 31, 2015. Each department's purchases are funded by their annual budget with no net County cost. Funds are not encumbered until products are delivered or services are rendered against the BPO.

cc: John McEldowney, Assistant Director - Emergency Services
Kim Davis, Senior Administrative Services Officer - County Executive Office
Shelley Beninga, Accountant Auditor I - County Executive Office
Cynthia Taylor, Senior Administrative Services Officer - Public Works
Chuck Gordon, Fleet Operations Manager - Public Works
Kevin Taber, Road Maintenance Manager - Public Works