



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 16, 2010

ITEM NUMBER:

SUBJECT: REJECT BIDS FOR THE PURCHASE OF A SIGN SERVICE TRUCK

DATE: NOVEMBER 4, 2010

FROM: PUBLIC SERVICES DEPARTMENT – MAINTENANCE SERVICES DIVISION

PRESENTATION BY: PETER NAGHAVI, PUBLIC SERVICES DIRECTOR

**FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY (714) 754-5123
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RECOMMENDATION

Reject the bids for Formal Bid No. 1140 for the purchase of a sign service truck and authorize City staff to modify an existing vehicle to perform the sign maintenance function at a cost not to exceed \$28,000.

BACKGROUND

The current sign maintenance truck is a 1989 model year with approximately 123,000 miles. Due to its duty assignment, this vehicle's engine has a very high number of idling hours; typically estimated at double the vehicle miles. The vehicle is what is considered a 'gross polluter' by the Air Quality Management District due to the excessively worn condition of the engine and the outdated emission control systems typical of its manufacture date. The specialized utility body on this vehicle is rusted out in several areas and the tool compartments leak water due to worn doors. The newer vehicle proposed to be converted from the existing fleet is a 2007 model year, propane-powered truck platform. It is considered by the California Air Resources Board to be an alternative fuel vehicle and meets all the current 'clean air' regulations for municipal fleets.

Included in the 2010-11 Adopted Budget, was funding for the replacement of a sign service truck utilized by the Public Services Department's Maintenance Services Division to install, maintain and repair traffic signs throughout the City. The Purchasing Division conducted a formal bid process to secure the lowest pricing available for this custom-built vehicle. On October 4, 2010, seven submittals were received, opened and read by the Deputy City Clerk.

The City of Costa Mesa Municipal Code Title 15, Chapter V, Article 2, Section 2-171(e), allows for a 5% reduction in bid amount for Costa Mesa vendors when comparing bids of vendors outside the City. Bids were evaluated in adherence to "City of Costa Mesa Vendor's Preference" resolution. The bid tabulation is provided in Attachment 1. Based on the tabulation and in accordance with the City of Costa Mesa Vendor Preference, the lowest responsible bidder was Theodore Robins Ford. The amount used for analysis was \$72,330.48; however the amount of the bid submitted was \$75,815.78.

ANALYSIS

With consideration given to the continued financial challenges of the City, the Public Services Department has developed a more cost effective alternative to purchasing a new replacement vehicle. The City fleet of vehicles currently has a vehicle of similar size and specification as the vehicle being replaced, with the exception of the custom body on the existing vehicle. Last year, the Mobile Recreation program was eliminated. The custom-built vehicle that was designed specifically for that purpose had an initial purchase price of \$82,574.13 in 2008. Following the elimination of the program through the budget process, the vehicle has been stored unused in the City's Corporation Yard. Staff from the City's Fleet Services Section have analyzed the Mobile Recreation vehicle and the sign maintenance truck and have obtained cost quotes on modifying the Mobile Recreation vehicle to accept the utility body from the existing sign truck. The sign maintenance body would be renovated and installed on the unutilized vehicle at a cost of approximately \$28,000. This alternative would result in a nearly new vehicle for the Traffic Operations Section and would save the City \$47,815.78 when compared to the cost of the new vehicle. The custom-built Mobile Recreation body would be stored at the Corporation Yard. Should the program be restored in the future, a new chassis could be purchased to accommodate the recreation body.

ALTERNATIVES CONSIDERED

The City Council could award the contract for the purchase of a sign maintenance truck to Theodore Robins Ford in the amount of \$75,815.78.

FISCAL REVIEW

The FY 10-11 budget includes funding for the purchase of the sign service truck from the Equipment Replacement Fund. The total cost for the truck, if purchased new is \$75,815.78. The budgeted amount for this vehicle is \$73,000.00. The cost for modifying an existing vehicle to perform the sign maintenance function in the Maintenance Services Division would cost approximately \$28,000, yielding a savings of \$47,815.78 as compared to the lowest bid price received.

LEGAL REVIEW

There is no legal review required on this item.

CONCLUSION

Staff recommends City Council reject the bids for the purchase of the sign service truck from Theodore Robins Ford in the amount of \$75,815.78 and authorize staff to modify existing City vehicles to perform the needed function at a cost not to exceed \$28,000.

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Department of Public Services

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ATTACHMENT: [Bid Tabulation](#)

Distribution: City Clerk