



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Powell and Members of the City Council

**THROUGH:**  David N. Carmany, City Manager

**FROM:** Bruce Moe, Finance Director   
Gwen Eng, General Services Manager 

**DATE:** June 5, 2012

**SUBJECT:** Award of Three-Year Contract for Auto Parts to Eddings Brothers, Inc. (Estimated Value of \$39,000 per year)

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### RECOMMENDATION:

Staff recommends that the City Council: a) award RFP #849-12 to the lowest responsible bidder, Eddings Brothers, Inc. for a three-year auto parts contract (with two one-year extension options) with an estimated annual value of \$39,000 and b) authorize the City Manager to exercise two one-year options at the conclusion of the contract period if deemed in the City's best interest.

### FISCAL IMPLICATION:

Sufficient funds are budgeted and available for the on-going maintenance and replacement parts for the City's fleet of vehicles.

### BACKGROUND:

The City maintains a fleet of approximately 130 vehicles. A small parts inventory is kept primarily for routine maintenance, which is replenished on a regular basis; however, most parts are ordered on an as-needed basis. Vehicle repairs are performed as quickly as possible to minimize any service disruption; therefore, parts must be readily available and delivered in a timely manner.

In responding to the Request for Proposal, vendors provided the City with discounts from manufacturers' suggested list prices. The discounts will be firm for the contract life, but the list price may fluctuate based upon market conditions (typically prices change once or twice a year).

### DISCUSSION:

Staff solicited proposals and seven responses were received. Vendor selection is based upon several factors: ability to supply preferred manufacturers' parts, fill rate, ability to meet a one-hour delivery requirement, online catalog and ordering, pricing, and return/credit policy. A summary of pricing offered by each vendor is shown below:

Agenda Item #: \_\_\_\_\_

<u>Bidder</u>	<u>Meet Parts Specifications</u>	<u>Estimated Annual Cost</u>
1. Completes Plus Auto Parts	No	\$38,142
2. Eddings Brothers, Inc.	Yes	\$39,000
3. Warren Distributing, Inc.	Yes	\$43,641
4. Factory Motor Parts	Yes	\$46,800
5. O'Reily Auto Parts	No	\$53,196
6. Bob Wondries Ford	Incomplete	
7. Auto Supply Company	Incomplete	

The estimated expenditure is based on the highest volume that we have historically purchased. The not-to-exceed figure of \$39,000 per year will cover on-contract items as well as infrequently purchased miscellaneous off-contract items not identified through the City's bid process. The lowest bidder, Completes Plus Auto Parts, offered alternative brands but failed to provide documentation from the manufacturer attesting that their parts meet or exceed specifications. Bob Wondries Ford and Auto Supply Company only bid on a few products, therefore, their bids are considered incomplete.

Based upon these factors, staff recommends that the City Council award a three-year contract to Eddings Brothers, Inc. as the lowest responsible bidder per Municipal Code Section 2.36.070(a) since they offered the deepest discounts while meeting all other requirements. The City has used this company in the past and they have performed well for the City. Further, staff is requesting that the City Manager be given the authority to exercise the option years based upon staff's recommendation. If approved, the contract will be in the form of a purchase order. In addition, the City may cancel the contract at any time without cause if necessary.