



Detroit Water and Sewerage Department

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Legislation Text

File #: 19-00148, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. 6002102 for a term of five (5) years for “Ford Parts, Repairs and Preventative Maintenance Services” with Fairlane Ford Sales, Inc. for a total contract amount of \$750,000.00**, and authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of June 5, 2019

Item No.: 19-00148

Contract No.: 6002102

Vendor: Fairlane Ford Sales, Inc.

14585 Michigan Ave.

Dearborn, MI 48126-3454

Total Contract Amount: \$750,000.00

Term: 6/21/2019 - 6/20/2024

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director of Detroit Water and Sewerage Department

RE: DWSD Contract No. 6002102
“Ford Parts, Repairs and Preventative Maintenance Services”

MOTION

Upon recommendation of Mamata Burgi, Purchasing Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. 6002102 for a term of five (5) years for “Ford Parts, Repairs and Preventative Maintenance Services” with Fairlane Ford Sales, Inc. for a total contract amount of \$750,000.00**, and authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

DWSD Fleet Operations is responsible for keeping all 552 Ford registered department vehicles in reliable and in working order per the Fleet Final Inventory List dated March 14, 2017. In order to maintain the vehicles, services and parts are required. Much of the maintenance of vehicles is performed in-house which, requires manufacturer-specific parts. In addition to these parts, there are times when vehicles will need to be sent to the vendor for repair and maintenance. In May 2018, the BOWC approved Contract No. 6001441 to Jorgensen

Ford Sales, Inc. in the amount of \$180,000.00 and a term of 2 years. Proposed Contract No. 6002102 with Fairlane Ford Sales, Inc. is to provide DWSD a secondary source for Ford parts maintenance and repair services.

JUSTIFICATION

Proposed Contract No. 6002102 will provide the Detroit Water and Sewerage Department (DWSD) with the ability to continue its program of delivering parts, repair services and preventative maintenance services by utilizing a secondary source. DWSD's fleet consists of 80% Ford vehicles which has overwhelmed Jorgensen Ford operations to respond in a timely manner. Having a secondary source will reduce downtime with DWSD's Ford fleet which directly impacts DWSD operations and customers.

The proposed contract with Fairlane Ford Sales, Inc. projection is based on the previous contract and has recently been revised based on historical repair statistics, maintenance records and current fiscal year consumption along with consideration of the remaining lifetime of the equipment.

DWSD Procurement is requesting approval to enter into a supplementary contract with Fairlane Ford Sales, Inc. for a term of five (5) years for a total contract amount of \$750,000.00 for the as-needed parts, repairs and preventative maintenance services for DWSD Ford brand vehicles.

PROCUREMENT METHOD

This was competitively solicited through a Request for Bids (RFB). The RFB was posted to the Michigan Inter-Governmental Trade Network (MITN) website on March 7, 2019, with bids due on March 27, 2019. Notifications were sent to 198 firms via MITN and 23 firms downloaded the RFB.

Bids were received from the following three (3) suppliers:

<u>Vendor</u>	<u>Bid Results</u>
Jorgensen Ford Sales, Inc. 8333 Michigan Avenue Detroit, MI 48210	Bid not accepted due to Jorgensen Ford being the incumbent and therefore cannot also be the secondary source.
Fairlane Ford Sales, Inc. 14585 Michigan Avenue Dearborn, MI 48126	Bid complete and at the lowest cost for parts, repair and preventative maintenance services.
Dealer Auto Parts, Inc. 12355 Wormer Redford, MI 48239	Incomplete bid. Offers parts only, do not offer repair and preventative maintenance services.

Following the evaluation of the bids, Fairlane Ford Sales, Inc. was deemed the lowest responsive and responsible Bidder. Due to the limited number of bids received in response to the RFB, DWSD Procurement reached out to potential suppliers to inquire and understand the reasons for the lack of response. The consensus was that those that viewed the RFB but did not respond for various reasons on their end and it did not have to do with deficiencies within the RFB document.

SUMMARY:

- A. Contract No.: 6002102
- B. Contractor: Fairlane Ford Sales, Inc.
- C. Term: 6/21/2019 - 6/20/2024
- D. Contract Amount: \$750,000.00
- E. Funding Source: O&M Funds
- G. Anticipated Spend:
- FY 19-20: \$150,000
 - FY 20-21: \$150,000
 - FY 21-22: \$150,000
 - FY 22-23: \$150,000
 - FY 23-24: \$150,000
- H. GL String(s):
- 5720-20167-482422-622100-000209-10731-0000-000000 (30%)
 - 5820-20178-492422-622100-000230-15956-0000-000000 (70%)