



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 2/26/2018

L26401 - Vehicle Leasing Services - ORDINANCE

Agenda Item#:

Background:

Formal Bids Received February 22, 2018 for S07-L26401 - Approve an ordinance awarding a contract to EAN Holdings, LLC in an amount not to exceed \$16,316,425.00 for vehicle leasing services for various departments.

Specific Explanation:

The Chief Procurement Officer recommends that City Council approve an ordinance awarding a **three-year contract with two one-year options** to EAN Holdings, LLC on its sole bid in an amount not to exceed **\$16,316,425.00** for Vehicle Leasing Services for various departments.

The total contract award is more than the total quantities advertised and shown below on the bid tabulation. Strategic Procurement Division included every scenario for vehicle leasing services for rentals by the day, week, month and year on the official bid form and in the scope of the work, as provided by the departments. The intent was to establish unit prices for each leasing period by compact hatchback/sedan, intermediate sedan, full size sedan, mid-size utility vehicle, full size utility vehicle, mini-passenger van, full size extended passenger/cargo, mid-size trucks and full size trucks for various scenarios over the next five years. All of these scenarios are possible, but not all will occur. This causes a difference in the dollar amount on the tabulation and award amount, which is based on historical expenditures. Personnel from the Strategic Procurement Division talked with representatives from the contractor to discuss the scope of work as well as the City's intent to award a contract based on actual expenditure predictions rather than bid tabulation totals. The contractor confirmed, in writing, that they would accept the contract at the unit prices bid for the recommended award amounts.

The scope of work requires the contractor to furnish all supervision, labor, parts, tools, materials, equipment, supplies, facilities and other miscellaneous items necessary to provide lease vehicles for the City of Houston various departments. Currently, this includes an estimated number of vehicles for the lease of approximately two hundred (200) units, with 60% leased on an annual basis. It is emphasized that the quantities may vary considerably due to changes in budget, personnel and events requiring extra vehicles. The vehicle descriptions are delineated in "SECTION B, PART III" of this document. The contractor agrees to furnish lease autos and trucks by the day, week, month or year, in compliance with all local, state and federal requirements.

This project was advertised in accordance with the requirements of the State of Texas bid laws. Twenty-seven prospective bidders downloaded the solicitation document from Strategic Purchasing Division's e-bidding website, and one bid was received. Prior to issuing the solicitation, the Strategic Procurement Division canvassed the City's registered vendor data base, as well as the market, to identify potential bidders who could possibly provide the type of services needed. Subsequent to the receipt of the bids, prospective bidders were contacted to determine the reason for the limited response to the ITB. Some potential respondents advised that they did not have the staff nor expertise to provide the particular services required by the City of Houston.

M/WBE Subcontracting:

This invitation to bid was issued as a goal-oriented contract with an 7% M/WBE participation level. EAN Holdings, LLC has designated the below-named company as its certified M/WBE subcontractor.

SUBCONTRACTOR	TYPE OF WORK	AMOUNT	%
DES Wholesale LLC dba Diversified Energy Supply	Fuel	\$1,142,149.75	7

Pay or Play:

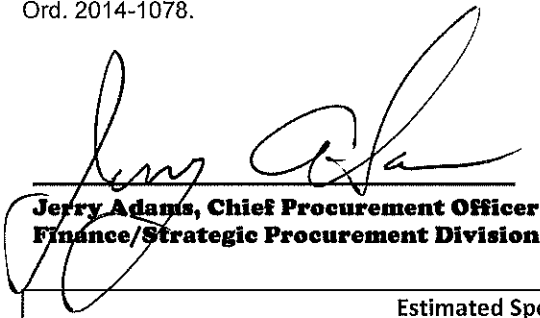
This proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides health benefits to eligible employees in compliance with City policy.

Hire Houston First:

The proposed awards require compliance with the City's 'Hire Houston First' (HHF) ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case, the proposed awardee does not meet these requirements.

Fiscal Note:

Funding for this item is included in the FY18 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.



**Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division**

Department Approval Authority

Estimated Spending Authority			
DEPARTMENT	FY2018	OUT YEARS	TOTAL
Fleet Management Department	\$28,797.00	\$1,201,215.00	\$1,230,012.00
Houston Public Works	\$0.00	\$6,718,040.00	\$6,718,040.00
Houston Police Department	\$150,960.00	\$8,217,413.00	\$8,368,373.00
Total	\$179,757.00	\$16,136,668.00	\$16,316,425.00

Amount of Funding:

- \$1,230,012.00 - Fleet Management Fund (1005)
- \$5,214,972.00 - Water & Sewer System Operating Fund (8300)
- \$ 303,068.00 - Stormwater Fund (2302)
- \$1,200,000.00 - Dedicated Drainage & Street Renewal Fund (2310)
(Breakdown for Fund 2310: \$750,000.00 Metro and \$ 450,000.00 Ad Valorem)
- \$ 10,000.00 - Asset Forfeiture Fund - Treasury (2202)
- \$ 8,000.00 - Asset Forfeiture Fund - Justice (2203)
- \$ 17,000.00 - Asset Forfeiture Fund - State (2204)
- \$8,218,413.00 - General Fund (1000)
- \$ 114,960.00 - Federal government - Grant Fund (5000)

\$16,316,425.00 - Total

Contact Information:

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Frank Rodriguez, Police Administrator HPD (713) 308-1700

ATTACHMENTS:

Description	Type
RCA L26401	Signed Cover sheet
Tax Report	Backup Material
PayOrPlay	Backup Material
MWBE Contract	Backup Material
Fair Campaign Ordinance	Backup Material
Form B Fair Campaign Ordinance	Backup Material
Bid Tab	Backup Material
Funding from General fund pre-encumbered	Financial Information
Funding from fund 2202- pre-encumbered	Financial Information
Funding from fund 2203- pre-encumbered	Financial Information
Funding from fund 2204- pre-encumbered	Financial Information
RCABudgetFundFormPWE	Backup Material
RCA BudgetFundingFormHPDFund1000	Financial Information
RCABudgetFundFormFMPDFund1005	Financial Information
RCABudgetFundFormHPDFund5000	Financial Information
RCABudgetFundFormHPDFunds2202.2203.2204	Financial Information