

City of Hesperia

STAFF REPORT



DATE: June 17, 2025

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works / City Engineer
Brian Blackwell, Streets Operation Manager

SUBJECT: Fleet Maintenance Services for Fiscal Year 2025-26

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to execute a one (1) year agreement with G & M Automotive Center, Inc. (G&M) in the not-to-exceed amount of \$250,000 for fleet vehicle maintenance services.

BACKGROUND

Preventative and corrective maintenance is required for the City of Hesperia's and Hesperia Water District's combined fleet of 111 vehicles, which includes:

- 62 light-duty vehicles,
- 12 medium-duty vehicles, and
- 37 heavy-duty vehicles.

This total reflects an updated count from the June 3, 2025, staff report, which had previously identified 117 vehicles. After further review, six vehicles were removed from the active fleet and designated for auction due to excessive maintenance costs or obsolescence.

While 69% of the fleet has been acquired since 2015, 31% remains over 10 years old, generating higher maintenance needs, especially in divisions such as Streets, Building Maintenance, and Animal Control.

A review of maintenance expenditures over the past decade shows a ten-year average of approximately \$350,000 annually, with notable peaks in FY 2016-17 (\$390,544), FY 2017-18 (\$545,804), and FY 2018-19 (\$448,952). These costs reflect the operational strain of maintaining an older fleet.

Since then, strategic fleet replacement efforts—including acquiring 17 new or replacement vehicles in FY 2024-25—have helped reduce costs. For the current fiscal year, maintenance expenditures are projected at \$240,000, a significant reduction from historical averages, demonstrating the long-term value of fleet modernization.

ISSUES/ANALYSIS

On June 3, 2025, the City Council approved a contract increase of \$50,000 with G & M Automotive Center, Inc., raising the not-to-exceed amount for fleet maintenance services to \$925,000 through

the end of FY 2024-25. This extension ensured continued service while staff completed the bidding process for the following fiscal year.

The City Council directed staff to not extend the FY 2024-25 fleet maintenance services contract with G&M towing into FY 2025-26 and instead seek bids for these services. Often, when contracts are extended, the vendor will hold pricing. As directed, a formal solicitation was issued on May 25, 2025, with bids solicited from five Hesperia vendors and eight vendors from neighboring High Desert cities. This direct solicitation was in addition to advertising the bid per the City procedures.

Despite soliciting multiple vendors, only G&M submitted responses and those responses included an increased labor rate. Since G&M was the only respondent, they were deemed the sole responsive and responsible bidder.

Staff recommends entering into a new one-year agreement with G&M for FY 2025-26 in the not-to-exceed amount of \$250,000. The following updated labor rates represent increases from the extended FY 2024-25 agreement:

	FY 2024-25	FY 2025-26	%
	Contract	Bid	increase
Light	\$ 105	\$ 120	14%
Medium	\$ 105	\$ 160	52%
Heavy	\$ 120	\$ 185	54%
Parts Markup	35%	35%	0%

Given the City Council's prior direction, the City did not prepare nor request a multi-year bid; should the City Council approve this contract with G&M, staff will rebid the fleet maintenance services in May 2026.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health - Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

Sufficient funding will be included in the Fiscal Year 2025-26 Proposed Operating Budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.