



City Council Report

Date: September 26, 2016
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal of the Term Contract for Original Equipment Manufacturer (OEM) Heavy-Duty Truck Repair Services for the Fleet Services Department (Citywide)

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Original Equipment Manufacturer (OEM) Heavy-Duty Truck Repair Services as recommended.

The Fleet Services Department and Purchasing recommend authorizing the renewal with Freightliner of Arizona & Western States Fire Equipment; Cummins Rocky Mountain, LLC (a Mesa business); Arizona Refuse Sales, LLC; W.W. Williams Southwest, Inc.; and RWC International, Ltd.; cumulatively not to exceed \$712,000.00 annually, based on estimated requirements.

Background / Discussion

Fleet Services provides preventative maintenance for a fleet of approximately 200 heavy-duty trucks. This contract provides OEM heavy-duty truck repair parts and services for the following models: American LaFrance, Case, Caterpillar, Cummins, DaDee Manufacturing (Scorpion Solid Waste Truck), Detroit Diesel, Freightliner and Heil. Vendors will be used for heavy-duty repairs that require special tools, special training and repairs or repairs that may be covered by a partial warranty.

On August 26, 2013, Council approved the initial three-year contract (10/1/2013 through 9/30/2016) with two, one-year renewal options to the vendors listed above. This is the first, one-year renewal contract with a one-year renewal option remaining. The current annual contract amount is \$712,000.00.

All of the vendors offered to renew the contract without a pricing increase. The Producer Price Index (PPI) has increased by 3% on average from 2013 through 2016. Based on the PPI, the City would realize minimal or no savings through resoliciting this agreement. The City has been satisfied with each vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

Council may choose not to authorize the renewal purchase and new responses will be solicited.

Fiscal Impact

The annual contract amount is available in the Fleet Services Department operating budget.

Coordinated With

Fleet Services and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids

Solicitation Number: 2013125

Vendors Registered on Bid List: 94 (11 Mesa)

Advertising: Arizona Republic, Bid Net, Record Reporter, Purchasing Website

Downloads: 20

Protests Received: None

Initial Contract Term: Three Years

Renewal Term: One year

Renewal Terms Remaining: One-year renewal subject to future Council consideration

Pricing Available to Other Cooperative Agencies: Yes

RENEWAL RECOMMENDATION

Description
Original Equipment Manufacturer (OEM) Heavy-Duty Truck Repair Services per Contract No. 2013125, Terms and Conditions, Specifications and Pricing as offered
<i>Cummins Rocky Mountain, LLC - Mesa, AZ</i> <u>Section 4</u> - CUMMINS OEM Engine Repair Service
<i>Arizona Refuse Sales, LLC - Phoenix, AZ</i> <u>Section 5</u> - DADEE MANUFACTURING OEM Truck Repair Service (Scorpion Solid Waste Truck)
<i>W.W. Williams Southwest, Inc. - Phoenix, AZ</i> <u>Section 6</u> - DETROIT DIESEL OEM Engine Repair Service
<i>RWC International, Ltd. - Phoenix, AZ</i> <u>Section 9</u> - INTERNATIONAL (Navistar) OEM Truck and Engine Repair Service
<i>Freightliner of Arizona & Western States Fire Equipment - Tolleson, AZ</i> <u>Section 1</u> - AMERICAN-LAFRANCE OEM Truck Repair Service; <u>Section 3</u> - CATERPILLAR OEM Truck, Tractor and Engine Repair Service; <u>Section 7</u> - FREIGHTLINER OEM Truck Repair Service; and <u>Section 14</u> - STERLING OEM Truck Repair Service
Annual Contract Amount: <u>\$712,000.00</u> (cumulatively not to exceed)