



City Council Report

Date: February 27, 2017
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 Contract for Original Equipment Manufacturer (OEM)
Heavy-Duty Equipment Repair Services for the Fleet Services Department
(Citywide)

Purpose and Recommendation

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

The Fleet Services Department and Purchasing recommend authorizing the renewal contract with Empire Southwest LLC (a Mesa business); Balar Holding Corp. dba Balar Equipment Corp.; and Wayne Industrial Holdings LLC dba OEM Parts and Service; at \$160,000.00 annually, based on estimated requirements.

Background / Discussion

This contract provides pre-qualified repair firms to provide non-exclusive equipment repair service on an as-needed-basis. These vendors furnish all labor, tools, materials, garage facility and insurance to perform body and related mechanical repair work for the City's fleet of heavy-duty vehicles as directed by the City.

Fleet Services maintains a fleet of approximately 200 heavy duty trucks. This contract requires heavy-duty OEM replacement parts manufactured to OEM specifications and equivalent in design and workmanship by an authorized dealer and an authorized warranty station. The vendor is also required to be able to complete in-depth engine repairs and able to submit claims for warranty assistance with the OEM. The City uses this contract for heavy-duty repairs that require special tools, special training, and repairs that may be covered by a partial warranty or qualify for customer satisfaction credits. All labor performed must be in accordance with OEM labor policies, specifications and procedures.

On February 24, 2014, Council approved the initial three-year contract with two, one-year renewal options. This is first, one-year renewal contract with a one-year renewal option remaining.

The vendors offered to renew the contract without a pricing increase or discount percentage change. Purchasing compared pricing with State Contract #ADSP016-130009, and City of Tucson Contract #161393 pricing, and confirmed the renewal pricing remains competitive. Repair services provided by these vendors are exclusive to these dealers. Purchasing anticipates rebidding the contract could result in pricing increases or reduced

discount percentages off parts. The City has been satisfied with the 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 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 Award

Procurement Type: Request for Bids

Solicitation Number: 2014078

Vendors Registered on Bid List: 104 (12 Mesa)

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

Downloads: 47

Responses: 6 Responses and 2 Non-Responsive

Local Consideration: The Mesa bidder was already the lowest, responsive and responsible bidder. Calculating pricing by using Management Policy #214, removing 1.75% (Mesa TPT) for the purpose of bid evaluation was not necessary

Protests Received: None

Initial Contract Term: Three years

Renewal Term: One-year

Possible Renewals: One-year renewal subject to future Council consideration

Prices: All pricing and percentages shall be firm for the initial term of three years except where otherwise provided by the specifications, and include all transportation, insurance and warranty costs.

Pricing Available to Other Cooperative Agencies: Yes

October 30, 2013 Responses

(Bid Tabulation available upon request)

RENEWAL RECOMMENDATION

Description
<p data-bbox="272 275 911 348"><i>Empire Southwest LLC - Mesa, AZ</i> Caterpillar (Off-Road Construction Equipment)</p> <p data-bbox="272 386 1206 459"><i>Balar Holding Corp. dba Balar Equipment Corp. - Phoenix, AZ</i> Schwarze (Street Sweepers) and Heil (Solid Waste Trucks)</p> <p data-bbox="272 497 1382 571"><i>Wayne Industrial Holdings LLC dba OEM Parts and Service - Phoenix, AZ</i> Wayne Industries (Solid Waste Trucks)</p> <p data-bbox="542 606 1127 680">Annual Contract Amount: <u>\$160,000.00</u> (cumulatively not to exceed)</p>