



City Council Report

Date: May 8, 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 Heavy-Duty OEM Cab/Chassis Parts for the Fleet Services Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal Contract for Heavy-Duty OEM Cab/Chassis Parts as recommended.

The Fleet Services Department and Purchasing recommend authorizing the renewal contract with Rush Truck Centers of Arizona dba Rush Truck Center of Phoenix; Freightliner, Sterling, Western Star of Arizona; Vanguard Truck Center; Inland Kenworth, Inc.; RWC International Ltd; and Cummins Rocky Mountain LLC; cumulatively not to exceed \$805,000.00, based on estimated requirements.

Background / Discussion

This contract provides heavy-duty OEM cab/chassis parts to maintain the City's assorted fleet of approximately 175 medium and heavy-duty vehicles. To meet the service requirements of the City's fleet operations, the vendors are required to provide quality replacement parts and timely delivery. All parts purchased under this contract are installed by Fleet Services.

On May 5, 2014, Council approved the initial three-year contract with two, one-year renewal options. This is the first, one-year renewal contract with a one-year renewal option remaining.

All six vendors (Rush Truck Centers of Arizona dba Rush Truck Center of Phoenix; Freightliner, Sterling, Western Star of Arizona; Vanguard Truck Center; Inland Kenworth, Inc.; RWC International Ltd; and Cummins Rocky Mountain LLC); offered to renew the contract without a pricing increase. This contract provides a percentage discount off manufacturers list price (average overall percentage provided by each vendor is 24%). They all agreed to hold their original percentage discount. 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 purchase and new responses will be solicited.

Fiscal Impact

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

Coordinated With

Fleet Services and Purchasing

PURCHASING INFORMATION

Action: Renewal Award

Procurement Type: Request for Bids

Solicitation Number: 2014218

Responses Received: 6

Initial Contract Term: Three years

Renewal Term: One year

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

RENEWAL RECOMMENDATION

Description
Heavy-Duty OEM Cab/Chassis Parts per Contract No. 2014218, Terms and Conditions, Specifications and Pricing as offered
<u>Section 1. PETERBUILT (No Substitutions)</u> <i>Rush Truck Centers of Arizona dba Rush Truck Center of Phoenix - Tolleson, AZ</i>
<u>Section 2. FREIGHTLINER OEM Cab/Chassis Parts</u> <i>Freightliner, Sterling, Western Star of Arizona - Tolleson, AZ</i>
<u>Section 3. MACK OEM Cab/Chassis Parts</u> <i>Vanguard Truck Center - Phoenix, AZ</i>
<u>Section 4. KENWORTH OEM Cab/Chassis Parts</u> <i>Inland Kenworth, Inc. - Phoenix, AZ</i>
<u>Section 5. INTERNATIONAL OEM Cab/Chassis Parts</u> <i>RWC International Ltd. - Phoenix, AZ</i>
<u>Section 6. CUMMINS OEM Cab/Chassis Parts</u> <i>Cummins Rocky Mountain LLC - Avondale, AZ</i>
Annual Contract Amount: <u>\$805,000.00</u> (cumulatively not to exceed)

BID TABULATION OF BIDS RECEIVED

March 31, 2014

Description/ Section	Cummins Rocky Mountain LLC Avondale, AZ		Freightliner, Sterling, Western Star of Arizona Tolleson, AZ		Inland Kenworth, Inc. Phoenix, AZ	
	% Discount	Unit Price Less Discount	% Discount	Unit Price Less Discount	% Discount	Unit Price Less Discount
Peterbilt Section 1	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Freightliner Section 2	No Bid	No Bid	20%	\$9,360.94	No Bid	No Bid
Mack Section 3	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Kenworth Section 4	No Bid	No Bid	No Bid	No Bid	32%	\$3,411.74
International Section 5	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Cummins Section 6	30%	\$13,600.34*	19%	\$14,673.18	30%	\$13,860.94

Description/ Section	RWC International Ltd. Phoenix, AZ		Rush Truck Centers of Arizona dba Rush Truck Center of Phoenix Tolleson, AZ		Vanguard Truck Center Phoenix, AZ	
	% Discount	Unit Price Less Discount	% Discount	Unit Price Less Discount	% Discount	Unit Price Less Discount
Peterbilt Section 1	No Bid	No Bid	10-40%	\$39,066.30	No Bid	No Bid
Freightliner Section 2	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
Mack Section 3	No Bid	No Bid	No Bid	No Bid	25%	\$704.64
Kenworth Section 4	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
International Section 5	30%	\$7,008.04	No Bid	No Bid	No Bid	No Bid
Cummins Section 6	30%	\$14,247.60	22.6%	\$13,988.40	No Bid	No Bid

*Original equipment manufacturers are no longer providing dealers with suggested price lists. Manufacturers are issuing price discounts based on dealer's sales volume. This is the reason Cummins as the manufacturer has the best price compared to Inland and RWC.