



# City Council Report

**Date:** April 16, 2018  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal to the Term Contract for Original Equipment Manufacturer (OEM) Heavy-Duty Equipment Repair Services for the Fleet Services Department **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal 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 Short Equipment (formerly Wayne Industrial Holdings LLC dba OEM Parts and Service); for \$160,000.00, based on estimated usage.

## Background

This contract provides pre-qualified repair firms to provide non-exclusive equipment repair service for the City's fleet of approximately 200 heavy-duty trucks on an as-needed-basis. The 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.

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. Each 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.

Balar Holding Corp. dba Balar Equipment Corp. and Short Equipment offered to renew the contract without a pricing increase or discount percentage change. Empire Southwest LLC offered to renew the contract with pricing increases to Mechanical Shop Labor - Hourly Rate, Service Call Labor - Hourly Rate, and Shop Supply Charges; which are allowable per specification.

Repair services provided by these vendors are exclusive to these dealers. 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.

## Purchase Information

Action: Renewal (2<sup>nd</sup> of 2 possible)

Procurement Type: Request for Bids

Contract Number: 2014078

Responses Received: 6 Responses and 2 Non-Responsive

Original Council Approval Date: 2/24/2014

Initial Contract Term: Three years

Funding Source: The purchase is funded in Fleet Services Department operating budget

RENEWAL RECOMMENDATION
<p><b><i>Empire Southwest LLC - Mesa, AZ</i></b> Caterpillar (Off-Road Construction Equipment)</p> <p><b><i>Balar Holding Corp. dba Balar Equipment Corp. - Phoenix, AZ</i></b> Schwarze (Street Sweepers) and Heil (Solid Waste Trucks)</p> <p><b><i>Short Equipment – Gilbert, AZ</i></b> Wayne Industries (Solid Waste Trucks)</p> <p><b>Annual Contract Amount: <u>\$160,000.00</u></b> (cumulatively not to exceed)</p>