



City Council Report

Date: April 1, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Contract Amendment and Dollar Limit Increase to the Term Contract for Original Equipment Manufacturer (OEM) Heavy-Duty Truck Parts and Repairs for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Fleet Services Department and Purchasing recommend amending the City's award by adding several vendors: Freightliner of Arizona, Titan Machinery Inc., and Balar Holding Company, from the Maricopa County cooperative contract; and increasing the contract value by \$50,000, from \$150,000 to \$200,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides a full line of parts, accessories and service for City-owned OEM heavy-duty trucks, construction and industrial fleet, equipment parts, services and accessories. Parts that may be purchased include but is not limited to instrument clusters, ABS brake modules, light modules/light housings, window regulators, latches, armrests, wiring harnesses, air intakes, exhaust components, frame cross members, brackets, etc.

On 8/20/2018, Council approved the two-year renewal for Contract No. 2016034 using the Maricopa County cooperative contract with multiple vendors: Empire Southwest, LLC (a Mesa business); Drake Equipment; Kenz & Leslie of Arizona; Lubrication Equipment and Supply Company; Norwood Equipment, Inc.; PTO Sales; and RDO Equipment; at \$150,000 annually.

The City recently solicited Request for Bids for Contract No. 2019039 to potentially award to vendors offering different parts and repairs to supplement Contract No. 2016034. Freightliner, Case, John Deere, and Schwarze products were not bid by any supplier in response to the solicitation for 2019039, and Fleets Services continues to require these parts and repairs. The City believes it would be in the best interest to add these lines of products/services to maintain the City's equipment.

The Maricopa County contract has established a contract with Freightliner of Arizona (Freightliner Products and Services), Titan Machinery Inc. (Case), and Balar Holding Company (Schwarze). Maricopa County has renewed the contract through 7/31/2020. It is in the City's best interest to add the three vendors to the contract until 7/31/2020.

Purchase Information

Action: Amendment (Vendor Additions) and Contract Value Increase

Procurement Type: Cooperative Contract Use

Contract Number: 2016034

Contracting Agency/Contract Number: Maricopa County/15021-C

Local Consideration: Policy did not apply to this procurement method

Original Award Date: 9/14/2015

Protests Received: None

Initial Contract Term: 9/15/2015 through 7/31/2016

Previous Renewal Term: 8/1/2016 through 7/31/2018

Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund

Dollar Limit History

Term Contract for Years 4 and 5 (Renewal Award 8/20/2018): \$150,000.00

Contract Dollar-Limit Increase Request 4/1/2019: \$50,000.00

Term Contract for Years 4 and 5: \$200,000.00