



# City Council Report

**Date:** March 16, 2020  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** 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 increasing the dollar limit using the Maricopa County cooperative contract with 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; Freightliner of Arizona, Titan Machinery Inc., and Balar Holding Company; by \$300,000, from \$200,000 to \$500,000 for Year 5, based on estimated usage.

## 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 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. On 4/1/2019, Council approved the contract amendment adding 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.

This contract is six months into Year 5; \$11,000 is the remaining balance of the \$200,000 contract amount. This is due to DaDee Manufacturing being bought out/no longer in business and other companies not honoring DaDee warranties. Therefore, Fleet Services has been paying full repair costs when cylinders, control valves, etc. are sent out for repairs. Empire has been completing most of the repairs under this contract. Fleet Services estimates an increase of \$300,000 would be adequate for the unforeseen repairs and parts being purchased through Year 5 or 7/31/2020.

## Purchase Information

Action: Amendment (Year 5)

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

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

### Dollar Limit History

Council Renewal Award 8/20/2018 (Years 4 and 5):	\$150,000.00
Council approved Increase 4/1/2019:	<u>\$50,000.00</u>
Contract Value for Years 4 and 5 (through 7/31/2020):	\$200,000.00

Dollar-Limit Increase Request 3/16/2020:	<u>\$300,000.00</u>
New Contract Value (Year 5 – 8/1/2019 to 7/31/2020):	<u>\$500,000.00</u>