



City Council Report

Date: June 3, 2024
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, 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 and Mesa Fire and Medical Departments) **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Fleet Services and Mesa Fire and Medical Departments and Procurement Services recommend increasing the dollar limit with Cummins, Inc. (a Mesa business); RWC International, LTD dba RWC Group; Rush Truck Center of Arizona dba Rush Truck Center, Phoenix; and W.W. Williams Company, LLC by \$900,000, from \$1,720,000 to \$2,620,000 for the remaining term of the contract.

Background / Discussion

Fleet Services provides maintenance and maintains a fleet of approximately two hundred (200) heavy-duty trucks. This contract provides several vendors for Original Equipment Manufacturer (OEM) heavy-duty truck parts and service repairs and has established heavy-duty truck service labor rates and associated pricing required to complete repairs. Each vendor is an authorized manufacturer representative of the repair services.

Mesa Fire and Medical Department (MFMD) uses this contract for their fire apparatus engine repairs and replacement services with W.W. Williams Company, LLC, the only OEM repair contractor who can work on Detroit engines.

This contract was extended for six (6) months with an expiration date of 9/30/2024. The dollar limit increase is due to the increased need for future services until a new contract is established.

Purchase Information

Action: Amendment
Procurement Type: Request for Bids
Contract Number: 2019039
Initial Contract Term: Three (3) years
Possible Renewals: Up to a maximum of two (2) years subject to Administrative review and approval
Funding Source: Fleet Services Department operating budget through the Fleet Internal

Services Fund (\$2,100,000) and Mesa Fire and Medical Department operating budget (\$520,000)

Dollar Limit History

Management approved Renewal – 3/14/2022 (Years 4 and 5):	\$770,000.00
Administrative Approved Increase – 7/12/2023 (Year 5):	<u>\$50,000.00</u>
Annual Contract Value (Year 5):	\$820,000.00
Administrative Approved Increase – 9/7/2023:	<u>\$50,000.00</u>
Annual Contract Value (Year 5):	\$870,000.00
Council Approved Increase (Year 5) – 11/20/2023	\$1,720,000.00
This Increase Request (Year 5)	<u>\$900,000.00</u>
New Annual Contract Value (Year 5 thru 9/30/2024):	\$2,620,000.00