



City Council Report

Date: October 17, 2022
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 Heavy-Duty OEM Cab/Chassis Parts for the Fleet Services Department **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Fleet Services Department and Purchasing recommend increasing the dollar limit with Rush Truck Centers of Arizona dba Rush Truck Center Phoenix; Freightliner of Arizona, LLC dba Velocity Truck Centers; Inland Kenworth, Inc.; RWC International dba RWC Group; and Cummins Inc. dba Cummins Sales and Service (a Mesa Business); by \$100,000, from \$725,000 to \$825,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides heavy-duty Original Equipment Manufacturer (OEM) cab/chassis parts to maintain the City's assorted fleet of approximately 175 medium and heavy-duty vehicles. OEM replacement parts fabricated according to OEM specifications and equivalent in design and workmanship are critical when requesting repairs and warranties from dealers. All parts purchased under this contract are installed by the Fleet Services Department.

The dollar limit increase is being requested as the cost of parts and repair activities have increased due to the age and growth of the fleet. The requested increase will cover the final invoicing costs of Year 3, in addition to the remaining contract Years 4 through 5. Management administratively approved the first renewal option (Year 4 from 9/24/22 – 9/23/23) in September 2022.

Purchase Information

Action: Amendment
Procurement Type: Request for Bids
Contract Number: 2019185
Initial Contract Term: Three years
Possible Renewals: Up to a maximum of two years, subject to Administrative review and approval
Funding Source: Fleet Service Department operating budget through the Fleet Internal

Original Council Award Date: 9/23/2019

Dollar Limit History

Original Council Award – 9/23/2019:	\$700,000.00
Administrative Approved Increase – 7/6/2020:	\$25,000.00
Current Contract Value:	\$725,000.00

<u>Dollar Limit Increase Request – 10/17/2022:</u>	<u>\$100,000.00</u>
New Contract Value (Years 3 through 5):	\$825,000.00