



City Council Report

Date: August 24, 2020
To: City Council
Through: Michael Kennington, Deputy City Manager/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 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 Purchasing recommend increasing the dollar limit with Cummins, Inc. (a Mesa business); RWC International, LTD dba RWC Group; Rush Truck Centers of Arizona dba Rush Truck Center, Phoenix; and W.W. Williams Company LLC; by \$120,000 for Years 2 and 3, from \$650,000 to \$770,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

Fleet Services provides maintenance and maintains a fleet of approximately 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) was added as a user department on this contract in July. MFMD will be using this contract for their fire apparatus engine repairs and replacement with W.W. Williams Company LLC, the only OEM repair contractor who can work on Detroit engines. The contract is being amended to add Pierce fire apparatus as a model and the dollar limit increase of \$120,000 for engine repair and replacement services with W.W. Williams. Purchasing and MFMD believe it is more efficient to amend the contract rather than the Department having a separate contract with W.W. Williams.

Purchase Information

Action: Amendment
Procurement Type: Request for Bids
Contract Number: 2019039
Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years subject to Administrative review and approval

Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund (\$650,000) and Mesa Fire and Medical Department operating budget (\$120,000)

Dollar Limit History

Original Council Award (Years 1 thru 3) – 4/1/2019:	\$650,000.00
Dollar Limit Increase Request – 8/24/2020:	<u>\$120,000.00</u>
New Annual Contract Value (Years 2 and 3):	<u>\$770,000.00</u>