



City Council Report

Date: November 7, 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 Asphalt Equipment Repairs and Services for the Fleet Services Department **(Sole Source) (Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Fleet Services Department and Purchasing recommend increasing the dollar limit with the sole source vendor, EDECO Southwest Services Company, LLC dba Bearcat Manufacturing, Years 1 through 3, by \$100,000, from \$100,000 to \$200,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides equipment repairs for specialized asphalt equipment. Last year, Bearcat Manufacturing was acquired by another company, and now can provide in-state services to a broader range of specialized transportation equipment than before, specifically RoadSaver equipment. Fleet Services use to service their three RoadSaver units in-house because there was not a vendor with adequate expertise in Arizona. The department now sends their RoadSaver equipment for annual services and repairs to Bearcat as the vendor provides a higher level of support and services for these specialized vehicles.

On 6/20/22, Council approved the initial three-year term contract with two years of renewal options at \$100,000 annually. Fleet Services recently received an estimate for \$143,051 for vehicles that require repairs exceeding the contract limit of \$100,000. The extent of repairs was unknown to the department when the contract was initially set up. Fleet Services estimates the increase of \$100,000 will be sufficient for the repairs as well as for Years 2 and 3, based on estimated usage.

Bearcat Manufacturing is the authorized sole source, of equipment sales, parts sales, service, warranty, and training for Bearcat asphalt distributors, Bearcat chip spreaders and Bearcat crack sealers.

Purchase Information

Action: Amendment
Procurement Type: Sole Source
Contract Number: 2022162

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

Dollar Limit History

Original Council Award – 6/20/2022:	\$100,000.00
This Increase Request for Years 1 thru 3 – 11/7/2022:	<u>\$100,000.00</u>
New Annual Contract Value (Years 1, 2 and 3):	<u>\$200,000.00</u>