



City Council Report

Date: November 21, 2022
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Use of a Cooperative Contract for the Purchase of Four (4) Crew Trucks with Utility Service Bodies for the Energy Resources and Water Resources Departments (Funded by the Capital Utility and Utility Replacement Extension and Renewal Funds) **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Fleet Services, Energy Resources, and Water Resources Departments and Purchasing recommend authorizing the purchase using the State of Arizona cooperative contract with Freightliner of Arizona for \$1,093,339.84.

Background / Discussion

This purchase will provide four (4) Crew Trucks with Freightliner chassis with utility service bodies; two (2) additions for Energy Resources, and two (2) replacements for Water Resources. The vehicles that are being replaced have met established criteria and will be either traded, auctioned, sold, or deployed for special uses.

The City has standardized our fleet in which Freightliner has been able to standardize crew trucks to meet our specifications in all categories. Our in-house technicians can repair Freightliner trucks which provide cost-savings and time-savings for the City compared to sending the vehicles out for repairs.

The State of Arizona cooperative contract has been competitively bid and meets the City's procurement requirements. Utilizing the State of Arizona contract would allow the City to receive very competitive rates based on a formally solicited agreement. The City believes the pricing is fair and reasonable and soliciting for these vehicles would not result in the City receiving more favorable pricing or terms. Freightliner of AZ confirmed that both the State and Maricopa County contracts provide the same pricing.

The manufacturing order windows have been severely shortened due to microchip and supply chain shortages. The State of Arizona contract allows the City to purchase Crew Trucks, deliverable within 8 to 12 months. If the City competitively bids, it will take 18 to 24 months to manufacture the vehicles.

Purchase Information

Action: Award

Procurement Type: Cooperative Contract Use

Contract Number: 2023118

Contracting Agency/Contract Number: Arizona Department of Administration/CTR041810

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Funding Source: Two funded by Capital Utility Fund – Gas Sub Fund; One funded by Utility Replacement Extension and Renewal - Wastewater Sub Fund; and One funded by Utility Replacement Extension and Renewal Fund – Water Sub Fund

AWARD RECOMMENDATION

Quantity 2 – 2024 Freightliner M2106 with Knapheide Utility Service Body plus Chassis Components and Options per Contract No. 2023118, Arizona Department of Administration/CTR041810 and Quote DE-97016 (9/30/2022)

Base (1 Unit)	\$251,974.60
8.3% Tolleson Tax	\$20,913.89
Step Tax	\$25.00
Warranties	<u>*\$4,947.00</u>
Total (1 Unit)	<u>\$277,860.49</u>
<u>Total (2 Crew Trucks)</u>	<u>\$555,720.98</u>

*5-Year/200,000 miles Warranties (Engine Warranty \$2,550, After Treatment \$920, Front Axle \$75.00, Single Rear Axle \$155); Truck Coverage \$645; and Transmission Warranty 5-Year/200,000 miles \$602.

Two **Additions** for the Energy Resources – Gas Utility funded by the Capital Utility Fund – Gas Sub Fund.

Quantity 2 – 2024 Freightliner M2106 with Knapheide Utility Service Body plus Chassis Components and Options per Contract No. 2023118, Arizona Department of Administration/CTR041810 and Quote DE-97016 (9/30/2022)

Base (1 Unit)	\$243,617.20
8.3% Tolleson Tax	\$20,220.23
Step Tax	\$25.00
Warranties	<u>*\$4,947.00</u>
Total (1 Unit)	<u>\$268,809.43</u>
<u>Total (2 Crew Trucks)</u>	<u>\$537,618.86</u>

*5-Year/200,000 miles Warranties (Engine Warranty \$2,550, After Treatment \$920, Front Axle \$75.00, Single Rear Axle \$155); Truck Coverage \$645; and Transmission Warranty 5-Year/200,000 miles \$602.

Two **Replacements** for the Water Resources – Enterprise - Water Utility and Wastewater Utility Sub Funds, and Utility Replacement Extension and Renewal Fund – Water and Wastewater Sub Funds.

Combined Total (4 Crew Trucks) **\$1,093,339.84**