



City Council Report

Date: March 20, 2023
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 and One-Year Renewal to the Term Contract for Emergency Vehicle Equipment and Installation Services for the Fleet Services and Fire and Medical Departments **(Citywide)**

Recommendation

Council is requested to approve the contract renewal as recommended.

The Fleet Services and Fire and Medical Departments and Purchasing recommend increasing the dollar limit for Year 4 by \$369,000, from \$1,127,500 to \$1,496,500, and authorizing the renewal for Year 5 at \$1,847,500 annually with Arizona Emergency Products (AEP); and Kenco, OR LLC dba LSH Lights, based on estimated usage.

Background / Discussion

The contract provides for the purchase and installation of emergency vehicle equipment and lighting at an established hourly labor rate. The Contractors provide specialized turnkey emergency vehicle equipment (lights, sirens, push-bars, detainee cages, consoles, wiring, etc.) and installation services for the Fleet Services, Mesa Police, and Mesa Fire and Medical Departments, and other service vehicles for the City on an as-needed basis.

AEP has agreed to renew the contract maintaining last year's pricing. LSH asked for a modest increase to the labor rate from \$49.50 to \$55.00/hour which is well below other comparable contracts within the Valley.

It is in the City's best interest to increase and renew this contract as labor and prices have significantly increased on other City contracts but are well below the average on this contract. In addition, the volume of work for the following year will be significantly increased. Fleet Services and MFMD anticipate a greater number of vehicles needing upfitting over the next year as both departments catch up from manufacturer delivery delays.

This is the final year of the contract and it will be a larger-than-normal year for upfitting vehicles. Additionally, Fleet Services and MFMD are asking separately to add use of a cooperative contract that has multiple vendors so they can process more vehicles through upfitting. The vendors have performed well for the City given the volume of work in progress and scheduled for the vendors. Failure to renew will delay the departments' receiving of new vehicles.

Purchase Information

Actions: Amendment and Renewal (2nd of 2 possible)

Procurement Type: Request for Proposals

Contract Number: 2018084

Original Council Award Date: 4/15/2019

Initial Contract Term: Three years

Possible Renewals: None

Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund

Dollar Limit History

Original Council Award - 4/15/2019 (Years 1, 2 and 3 annually): \$1,000,000.00

Dollar Limit Increase Administrative Approval – 3/25/2021: \$10,000.00

Dollar Limit Increase Administrative Approval – 4/6/2021: \$15,000.00

Contract Value (Year 2 thru 4/15/2021): \$1,025,000.00

Council Approved Increase for Year 3 – 5/3/2021: \$50,000.00

Contract Value (Year 3 thru 4/15/2022): \$1,050,000.00

Dollar Limit Increase Administrative Approval – 3/14/2022: \$52,500.00

Dollar Limit Increase Administrative Approval – 1/30/2023: \$25,000.00

This Dollar Limit Increase Request for Year 4 – 3/20/2023: \$369,000.00

New Contract Value (Year 4 thru 4/15/2023): \$1,496,500.00

Year 5 Renewal Request – 3/20/2023: \$1,847,500.00