



## Legislation Text

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**File #:** 15-173, **Version:** 1

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**AUTHORIZATION TO ENTER INTO AMENDMENT NO. 1 TO THE LINKING AGREEMENT WITH W.W. WILLIAMS COMPANY FOR THE COOPERATIVE PURCHASE OF ORIGINAL EQUIPMENT MANUFACTURER REPLACEMENT PARTS AND SERVICE FOR HEAVY DUTY EQUIPMENT**

Staff Contact: Jack Friedline, Director, Public Works

**Purpose and Recommended Action**

This is a request for City Council to authorize the City Manager to enter into Amendment No. 1 to the Linking Agreement with W.W. Williams Company, increasing the not to exceed amount in the original agreement from \$40,000 annually to an amount not to exceed \$100,000 annually for Original Equipment Manufacturer (OEM) Replacement Parts and Service for Heavy Duty Equipment. This request also authorizes the City Manager to annually renew the linking agreement, at the City Manager's discretion, for an additional two years in an amount not to exceed \$300,000 over the term of the contract.

**Background**

Public Works maintains a diverse fleet of vehicles and associated equipment used to support key city operations including Fire and Police services, Sanitation solid waste collection and disposal divisions, Transportation Services transit division, and Water Services distribution, collection and reclamation divisions. The purchase of parts, service and accessories for the repair of heavy duty trucks and equipment from outside vendors is required to keep vehicles and machinery functioning properly. The cost of this service is charged back to the responsible departments.

On October 28, 2014, the city entered into a Linking Agreement (C-9304) with W.W. Williams in an amount not to exceed \$40,000 for OEM Replacement Parts and Service for Heavy Duty Equipment. At that time, the city administratively entered into the linking agreement due to the annual contract amount of less than \$50,000. However, due to unforeseen transmission failures on two heavy duty sanitation trucks this year, along with other heavy duty equipment repairs, the original \$40,000 forecast estimate for OEM parts and service with W.W. Williams will need to be increased. With the daily demands on sanitation trucks, and the age of some of these vehicles in the city fleet, Equipment Management is requesting Council authorize an amendment increasing the original not to exceed agreement amount from \$40,000 annually to an amount not to exceed \$100,000 annually, and to authorize the City Manager to annually renew the linking agreement for an additional two years in an amount not to exceed \$300,000 over the term of the contract. The increase allows for any unforeseen repairs or equipment failures to be serviced in a timely manner, and provide staff the flexibility to manage operations in order to provide uninterrupted services to the community. This is a request for expenditure authorization only and does not mean that the City will expend the full authorized amount with W.W. Williams in any given year.

**Analysis**

W.W. Williams Company, through a competitive bid process, was awarded Contract ADSP013-040710 by the State of Arizona for Original Equipment Manufacturer (OEM) Replacement Parts and Service for Heavy Duty Equipment.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Materials Management.

**Community Benefit/Public Involvement**

The use of outside vendors for the repair of heavy duty trucks and equipment supplements internal service capacity and allows for the most expeditious return of vehicles and equipment to city operations for smooth and uninterrupted delivery of services to the public.

Cooperative purchasing produces the lowest possible volume prices and allows for the most effective use of available funding. The bids are publically advertised and all Arizona firms have an opportunity to participate.

**Budget and Financial Impacts**

Funding is available in the fiscal year (FY) 2014-15 Equipment Management operating and maintenance budget.

Expenditures with W.W. Williams Company are not to exceed \$100,000 annually; and over the life of the agreement, including any extensions authorized by the City Manager, total expenditures are not to exceed \$300,000.

Cost	Fund-Department-Account
\$100,000	1040-13510-518200, Equipment Management

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?