



## Legislation Text

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**File #:** 16-170, **Version:** 1

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### **AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH EMPIRE SOUTHWEST, LLC, FOR THE COOPERATIVE PURCHASE OF PARTS, SERVICE AND REPAIRS ON HEAVY 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 a Linking Agreement with Empire Southwest, LLC, for the cooperative purchase of parts, service and repairs on heavy equipment for the City of Glendale Municipal Landfill (Landfill) and Materials Recovery Facility (MRF) in an amount not to exceed \$530,000 for the initial partial year of this agreement; and to authorize the City Manager to renew the agreement, at the City Manager's discretion, for an additional four, one-year renewals, in an amount not to exceed \$4,227,502 for the full term of the Agreement.

#### **Background**

The Landfill and MRF equipment are utilized for multiple tasks within the Landfill operation. Earthwork, processing waste and recyclables, and road maintenance are the primary functions that create wear on the equipment. The Agreement with Empire Southwest, LLC will be utilized to provide parts, service, repairs and rebuilds on heavy equipment on an as-needed basis as outlined in the Linking Agreement.

Empire Southwest, LLC was awarded a bid by the Maricopa County Department of Transportation to provide goods and services described in the Heavy Duty Truck, Construction and Agricultural/Industrial Fleet and Equipment, Parts Service and Accessories Contract. Staff is requesting to utilize the cooperative purchase with Strategic Alliance for Volume Expenditures (SAVE). SAVE is a consortium of local municipalities, in which Glendale is a member. Contract 15021C was awarded on August 1, 2015, and includes an option to renew the term of the contract for an additional four, one-year renewals, allowing the contract to be extended through July 31, 2020.

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.

#### **Analysis**

The Landfill and MRF will use the Linking Agreement to fulfill operational needs for parts, service, repairs and

rebuilds on Landfill and MRF heavy equipment.

### **Previous Related Council Action**

On November 24, 2015, Council authorized Amendment No. 2 to Contract No. C-9713 for the purchase of a Caterpillar Trash Compactor Certified Power Train Rebuild from Empire Southwest, LLC, for the Landfill, in an amount not to exceed \$335,000.

On September 8, 2015, Council authorized the cooperative purchase of Heavy Duty Truck and Equipment Repair from Empire Southwest, LLC, Contract C-10261, for Equipment Management, in an amount not to exceed \$225,000 over the term of the Agreement.

On August 11, 2015, Council authorized Amendment No. 1 to Contract No. C-9713 for the purchase of a Caterpillar Loader from Empire Southwest, LLC, for the MRF, in an amount not to exceed \$362,969.

On February 24, 2015, Council authorized the cooperative purchase of a Caterpillar trash compactor from Empire Southwest, LLC, Contract No. C-9713, for the Landfill in an amount not to exceed \$1,119,512.82.

On June 24, 2014, Council authorized the cooperative purchase of Heavy Duty Truck and Equipment Repair from Empire Southwest, LLC, Contract No. C-9102, for Equipment Management in an exceed \$180,000 over the term of the Agreement.

### **Community Benefit/Public Involvement**

The Landfill and MRF are an environmentally sound and long-term solution to solid waste management. The processing of recyclables contributes to the reduction of waste entering the Landfill thus creating the opportunity for the extended life of the Landfill. These components are essential to the future health, welfare and prosperity of Glendale residents.

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

### **Budget and Financial Impacts**

Funding is available in the Fiscal Year 2015-16 Landfill Operating Budget. Expenditures with Empire Southwest, LLC, are estimated to be \$530,000 for the initial year, with a not to exceed amount of \$4,227,502 over the entire term of the agreement; contingent upon Council Budget approval.

<b>Cost</b>	<b>Fund-Department-Account</b>
<b>\$530,000</b>	<b>Fund 2440 Landfill Operating and Capital Improvement Plan budgets, various accounts</b>

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?