



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 14, 2020

DATE: July 14, 2020

TO: Peter Zaroni, City Manager

FROM: Jim Davis, Director of Asset Management
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Off-Site Repairs for Peterbilt Vehicles and Equipment

CAPTION:

Motion authorizing a three-year service agreement with Rush Truck Centers of Texas, LP, for a total amount not to exceed \$2,619,000.00, for off-site repairs to Peterbilt vehicles and equipment for Asset Management, effective upon issuance of notice to proceed, with FY 2020 funding in the amount of \$218,250.00 available in the Fleet Maintenance Service Fund.

SUMMARY:

This motion authorizes a three-year service agreement for off-site repairs to City owned Peterbilt vehicles and equipment. These services are necessary to keep our fleet running so that the departments may accomplish their duties. Repairs such as engine repairs, computer repairs, body work, suspension and drivelines are also performed on an as needed basis.

BACKGROUND AND FINDINGS:

The purpose for this service agreement is for off-side repairs to Peterbilt City vehicles and equipment. These services are unique to Peterbilt, Hino, Isuzu and Paccar equipment. The Asset Management utilizes these services to keep City vehicles up and running. Currently, Asset Management utilizes these services on an as needed basis.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new contract. The City received one responsive, responsible

bid. Staff determined the price to be fair and reasonable in comparison to the market in Corpus Christi. Off-site repairs for Peterbilt are yielding the following savings: labor goes from \$148.00/hour to \$115.00/hour. Parts savings are: 7% on Peterbilt parts and 3% on Cummins parts. These economies represent new pricing when the agreement is approved by Council. Additionally, Hino and Isuzu parts are only sold by this vendor. This vendor is also the only Certified Dealer for Peterbilt, Paccar, Isuzu, and Hino. The City is recommending the award to Rush Truck Centers of Texas, LP.

Prior to having this agreement, each individual job order was competitively bid out for pricing which took more time to procure specified product without necessarily having a valued price.

ALTERNATIVES:

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to obtain the service of off-site repairs on individual purchase orders on an as needed basis, which would not be as productive. In addition, a long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Asset Management in FY 2020 is \$ 218,250.00 for off-site repair to Peterbilt City vehicles and equipment, with the remaining cost of \$2,400,750.00 funded in future years through the annual budget process.

FUNDING DETAIL:

Fund:	5110 Fleet Maintenance Services
Organization/Activity:	40170 Fleet Operations
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	530100 Vehicle Repairs

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year agreement with Rush Truck Centers of Texas, LP for repair parts and services as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement