



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting March 24, 2020

**DATE:** March 24, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Jim Davis, Director of Asset Management  
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### **Supply Agreement for Garbage Truck Parts**

#### **CAPTION:**

Motion authorizing a three-year supply agreement with Texan Waste Equipment, Inc., dba Heil of Texas, of San Antonio, Texas in an amount not to exceed \$1,950,000.00 for the purchase of garbage truck parts, effective upon issuance of notice to proceed, with FY 2020 funding in an estimated amount of \$325,000.00 available through the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This is a supply agreement for garbage truck parts stocked by the Asset Management Department for repairs of approximately 50 garbage trucks for Fleet Maintenance. These parts are essential and necessary to repair trucks in a timely manner. The procurement is through the Buyboard Cooperative.

#### **BACKGROUND AND FINDINGS:**

The Asset Management Department utilizes these parts for the repair and maintenance of garbage trucks. These parts are essential and necessary to repair trucks in a timely manner. Asset Management performs the majority of vehicle and equipment repairs in-house. Acquisition of these parts is essential to ensure the prosecution of a successful and timely maintenance effort of this equipment.

The procurement is through the Buy Board Cooperative. Contracts awarded through the Buy Board Cooperative have been competitively procured in compliance with Texas Local

and State procurement requirements. The buyboard contract allowed for a discount of 3% off catalog pricing. Upon reaching out to them, the city attained an additional 4% discount off catalog pricing giving the city a total discount of 7% off catalog pricing. To review the catalog follow the link below:

<https://app.buyboard.com/Search/Index?SearchTerm=&VendorId=1532&DiscountProductId=-1>

Then select the option below:

“3% Discount Off Heil of Texas pricelist for Repair Parts and Supplies for all Refuse Bodies, Dump Bodies, Mixers or Trailers. Line Item 47 “

### **ALTERNATIVES:**

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to purchase on individual purchase orders the garbage truck parts 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 estimated at \$325,000.00 for this supply agreement. The remaining amount will be budgeted in future years through the annual budget process.

### **Funding Detail:**

Fund:	5110 Fleet Maint Svc
Organization/Activity:	40180 Parts Room Operation
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold

### **RECOMMENDATION:**

Staff recommends approval of this motion authorizing a three-year supply agreement with Texas Waste Equipment, Inc. dba Heil of Texas for the purchase of garbage truck parts as presented.

### **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Supply Agreement