



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 17, 2025

DATE: June 17, 2025

TO: Peter Zaroni, City Manager

FROM: Juan Rivera, Interim, Director of Asset Management
Juanr7@cctexas.com
(361) 826-3173

Sergio Villasana, Director of Finance & Procurement
sergiov2@cctexas.com
(361) 826-3227

Supply Agreement for McNeilus Repair Parts and Equipment for Asset Management

CAPTION:

Resolution authorizing a one-year supply agreement, with two one-year option periods, with Siddons Martin Emergency Group, dba Siddons Martin Environmental Group, of Houston, Texas, for McNeilus replacement parts and equipment for repairs to City waste collection trucks for the Asset Management Department, in an amount up to \$275,000.00, with a potential total amount of up to \$825,000.00 if both one-year option periods are exercised, with FY 2025 funding in the amount of \$114,583.33 from the Fleet Maintenance Service Fund.

SUMMARY:

This resolution authorizes a one-year supply agreement, with two one-year option periods, with Siddons Martin Environmental Group for McNeilus replacement parts and equipment for repairs to City waste collection trucks.

BACKGROUND AND FINDINGS:

Asset Management Department utilizes McNeilus original equipment manufactured parts for the repair and maintenance of associated equipment. The contracted supply of these parts will facilitate a continued high operational readiness of refuse trucks such as side-loaders and rear-loaders. Currently, these parts are procured by Direct Pay purchase request on an as-needed basis. By executing an agreement with Siddons Martin Environmental Group, it will allow for a more efficient procurement process and an increased savings in processing time.

The City of Corpus Christi operates 50 refuse vehicles, with 31 utilizing McNeilus vehicle bodies and parts. Asset Management mechanics conduct maintenance and repairs on these units at the Fleet Service Center on six areas of the McNeilus vehicle bodies and parts (body, hydraulics, pneumatics, electrical, attached equipment, and safety). The maintenance and repair work on the

31 McNeilus refuse vehicles includes replacing lights and hoses as well as hydraulic packing cylinders and lift gates. All repair work utilizing the Siddons Martin Environmental Group parts is conducted by City mechanics at the City's Fleet Service Center or at field repair sites along collection routes.

Parts ordered from Siddons Martin Environmental Group are delivered to the Fleet Service Center from either Houston or Dallas facilities. The parts are then stored in the Fleet Service Center Parts section until they are used for repair.

PROCUREMENT DETAIL:

This procurement is a contract for direct purchase Siddons Martin Environmental Group, of Houston, under the Local government Code, Section 252.022(a)(7)(D), as this purchase of items that are available from only one source because of patents and are captive replacement parts or components for equipment. Siddons Martin Environmental Group is the exclusive dealer for sales, parts, distribution and service of McNeilus parts across Texas, Tennessee, Utah, Nevada, Louisiana, Arkansas, Oklahoma, and New Mexico.

The previous three-year agreement (March 2021 to March 2024) was with McNeilus Truck and Manufacturing Company, of Hutchins, Texas, for an amount up to \$530,000.00 for McNeilus manufactured parts. However, by the end of 2023, Asset Management had already procured \$439,589 of repair parts under the agreement. As a result, in January 2024 an amendment was executed which increased the up to amount of the agreement to \$625,000 and extended the term of the agreement to June 2024. In total, Fleet acquired \$621,048 in parts over the 39-month term.

In June 2024, McNeilus closed direct-to-customer parts sales and established Siddons Martin Environmental Group as the exclusive dealer for sales, parts, distribution and service of McNeilus refuse products across several states including Texas. As a result, Asset Management began utilizing direct purchases with Siddons Martin Environmental Group to acquire repair parts. Asset Management also began the process of acquiring a new agreement with Siddons Martin Environmental Group; however, the process of acquiring the new agreement with Siddons Martin Environmental Group included legal halts and other purchasing considerations due to new sole source provisioning.

Based off several factors including the previous agreement, accommodating the continued growth of the City's fleet, increasing market costs for repair parts, and Siddons Martin Environmental Group becoming the exclusive dealer for McNeilus parts, the proposed agreement has been set for an up to amount of \$825,000. This is an increase of approximately 30% from the previous agreement's up to amount of \$625,000. City staff did negotiate a 10% discount off all parts with Siddons Martin Environmental Group for the proposed agreement.

ALTERNATIVES:

The alternative is not to secure a long-term supply agreement for these parts. However, the Asset Management Department would have to purchase refuse equipment parts on an as needed basis through individual direct pay purchase orders, which would not be as productive and would be more time-consuming. Additionally, not having an agreement in place would require a request-for-quote process for every part or purchase order over \$3,000, which would slow the procurement process. Furthermore, Asset Management would ultimately purchase these parts from Siddons Martin Environmental Group, as they are the sole authorized regional distributor for McNeilus parts.

FISCAL IMPACT:

The fiscal impact for Asset Management in FY 2025 is estimated at \$114,583.33. The remaining amount will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	5110 Fleet Maint Svc
Department:	Asset Management
Organization/Activity:	40180 Parts Room Operation
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold
Amount:	\$114,583.33

RECOMMENDATION:

Staff recommends approval of the execution of a one-year supply agreement with Siddons Martin Environmental Group, LLC, of Houston, for McNeilus refuse replacement parts for City waste collection trucks for the Asset Management Department, as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Price Sheet
Supply Agreement