



AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 13, 2023

DATE: June 13, 2023

TO: Peter Zaroni, City Manager

FROM: Charles Mendoza, Director of Asset Management
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Supply Agreement for Garbage Truck Parts

CAPTION:

Resolution authorizing a one-year supply agreement with two one-year options, with Texas Waste Equipment, Inc. dba Heil of Texas of San Antonio, in an amount not to exceed \$250,000.00, and a potential amount of \$750,000.00 if options are exercised, for Garbage Truck Parts for Asset Management-Fleet, with FY 2023 funding of \$62,500.00 from 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 55 garbage trucks for Fleet Maintenance. These parts are essential to repair trucks promptly.

BACKGROUND AND FINDINGS:

The Asset Management Department utilizes these parts for the repair and maintenance of garbage trucks. Asset Management performs the majority of vehicle and equipment repairs in-house, making these parts essential to repair trucks promptly. Acquisition of these parts is necessary to ensure the prosecution of this equipment's successful and timely maintenance effort.

PROCUREMENT DETAIL:

This is a Sole Source procurement. Texas Waste Equipment, Inc. dba Heil of Texas is the sole source manufacturer of Heil OEM Bodies, parts, warranty, certified Heil rebuild

parts and full-service dealer of the state of Texas and New Mexico which is currently utilized by Asset Management- Fleet for Garbage Truck Parts.

ALTERNATIVES:

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to purchase the garbage truck parts on an as-needed basis through individual purchase orders, 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 2023 is estimated at \$62,500.00 for this supply agreement. The remaining amount will be budgeted through the annual budget process in future years.

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 resolution authorizing a one-year supply agreement with Texas Waste Equipment, Inc. dba Heil of Texas, as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Supply Agreement