



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting September 22, 2020

**DATE:** September 22, 2020

**TO:** Peter Zaroni, City Manager

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### **Supply Agreement with Petersen and New Way Equipment Parts for Fleet**

#### **CAPTION:**

Resolution authorizing a three-year supply agreement with Texas Packer and Loader Sales, Inc./D.B.A Texas Pack and Load in an amount not to exceed \$402,150.00 for the purchase of Petersen and New Way equipment parts for heavy equipment within Asset Management such as brush trucks, with FY 2020 funding in an amount of \$11,170.83 available in the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This resolution authorizes a three-year supply agreement with Texas Packer and Loader Sales, Inc./D.B.A Texas Pack and Load to provide Petersen and New Way equipment parts stocked by the Asset Management Department for repairs of rear steer loaders, self-loaders, brush trucks, and garbage trucks performed by the Fleet Maintenance Division.

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

The Asset Management Department utilizes Petersen and New Way equipment parts for the repair and maintenance of associated equipment. Use of these parts is essential to effect necessary and timely repairs. Asset Management performs the majority of vehicle and equipment repairs in-house. Acquisition of these parts is essential to ensure the execution of a successful and timely maintenance effort of this equipment. Furthermore, a ready supply of these parts will ensure a continued high operational readiness of heavy equipment such as brush trucks. In the past, Asset Management has not had a supply

agreement. These parts were procured by requisition/purchase order on an as needed basis. This is a sole source purchase as these parts are unique to Petersen and New Way heavy equipment. Texas Packer and Loader Sales, Inc./D.B.A. Texas Pack and Load is the only vendor that sells these parts. The City will save 10-15% over the current pricing under this new agreement.

### **ALTERNATIVES:**

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to purchase parts on an as needed basis, which would not be as productive and would be much more time consuming. 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 \$11,170.83 for this three-year supply agreement. The remaining amount of \$390,979.17 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 Packer and Loader Sales, Inc./D.B. A Texas Pack and Load for the purchase of Petersen and New Way equipment parts as presented.

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

Resolution  
Price Sheet  
Supply Agreement