



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting February 16, 2021

**DATE:** February 16, 2021

**TO:** Peter Zaroni, City Manager

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### **McNeilus Parts for Fleet**

#### **CAPTION:**

Resolution authorizing a three-year supply agreement with McNeilus Truck and Manufacturing Co. in an amount not to exceed \$530,000.00 for the purchase of McNeilus parts for City Solid Waste and Recycling trucks, effective upon issuance of notice to proceed, with FY 2021 funding in an amount of \$117,778.00 available in the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This resolution authorizes a three-year supply agreement with McNeilus Truck and Manufacturing Co. to provide McNeilus parts stocked by the Asset Management Department for repairs of refuse side loaders and rear loader trucks by the Fleet Maintenance Division of Asset Management.

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

The Asset Management Department utilizes McNeilus equipment parts for the repair and maintenance of associated equipment. The use of these parts is essential for effective, 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 refuse trucks such as side loaders and rear loaders. Currently, these parts are procured by requisition/purchase order on an as needed basis. McNeilus Truck and Manufacturing Co. is the only vendor that sells these parts. The City will save 2-5% over the current

pricing by processing this agreement.

This is a sole source purchase as these parts are unique to McNeilus refuse trucks. McNeilus Truck and Manufacturing Co. is the fully authorized dealer for these parts. To review the catalog, follow the link below:

<https://www.streetsmartparts.com/refuse/index.html?csid=a7738552268973d43686d28182dc7a39&sl=EN&currency=>

### **ALTERNATIVES:**

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to purchase refuse equipment parts on an as needed basis through individual purchase orders, which would not be as productive and 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 2021 is estimated at \$117,778.00 for this three-year 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 resolution authorizing a three-year supply agreement with McNeilus Truck and Manufacturing Co. for the purchase of McNeilus equipment parts as presented.

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

Resolution  
Price Sheet  
Supply Agreement