

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: February 24, 2015		DATE SUBMITTED: February 2, 2015	
DEPARTMENT OF ORIGIN: Fleet Services		SUBMITTED BY: Bobby Walker	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input checked="" type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input checked="" type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consider approving a Blanket Purchase Order (BPO) for Heil of Texas in a not to exceed amount of \$100,000.00. Heil of Texas is the sole Heil original equipment (OEM) body, parts, warranty, certified Heil rebuilt parts, and full service dealer for the state of Texas.			
SUMMARY STATEMENT: Fleet Services respectfully requests City Council approve authorizing the Purchasing Department to issue a Blanket Purchase Order (BPO) to Heil of Texas, the sole source original equipment (OEM) Heil service parts provider in the State of Texas, in an amount not to exceed \$100,000.00 for annual parts procurement. Sole source purchases are considered a general exemption under Local Government Code 252.022.a.7 (D) for procurement of items available from only one source, including captive replacement parts or components for equipment. Therefore, these purchases are exempt from the formal bid process.			
<p>The blanket purchase order being requested is for service replacement parts for the Solid Waste refuse vehicles. The type of purchase order requested does not encumber funds but provides a mechanism for the Fleet Department to purchase parts on an as needed basis up to \$100,000.00. Parts possibly purchased with the BPO include packer paddles, actuator plates, control circuit boards, control boxes, limit switches, joy sticks, link arms, valve packs, cam followers, hydraulic cylinders, etc. Heil of Texas has been the sole source provider for these required service parts for the previous thirteen (13) years, beginning May 2001.</p> <p>Historical expenditures for service parts purchased from Heil of Texas are as follows:</p> <ul style="list-style-type: none"> • FY2010 (2/2010 - 2/2011): \$50,172 • FY2011 (2/2011 - 2/2012): \$85,894 • FY2012 (2/2012 - 2/2013): \$60,953 • FY2013 (2/2013 - 2/2014): \$76,297 • FY2014 (2/2014 - to date): \$57,734 <p>In summary, City staff requests the City Council approve a Blanket Purchase Order (BPO) with Heil of Texas in a not to exceed amount of \$100,000.00. Since this consideration is for a BPO and not a contract for an agreed upon amount, City staff can review costs from multiple vendors when possible, and select the option that is the best value to the City. As historical amounts demonstrate, spending \$100,000.00 for this BPO in one fiscal year is unlikely but does provide staff flexibility.</p> <p>Approval of this blanket purchase order allows City staff the ability to purchase OEM parts from the exclusive Texas dealer, Heil of Texas, on an as needed basis for the repair of the Solid Waste refuse vehicles. Pricing is based on manufacturer list prices, less a 25.6 % discount.</p>			

STAFF ANALYSIS AND RECOMMENDATION: Fleet Services respectfully recommends approving a Blanket Purchase Order (BPO) for sole source purchases for Heil service parts with Heil of Texas in a not to exceed amount of \$100,000.00, which also allows for costs coverage of unforeseen equipment failures and/or parts replacements above the historical average. As a reminder, purchases are made on an as needed basis and the exact expense amount should be closer to historical amounts. These purchases allow Fleet Services to properly repair and maintain the Solid Waste fleet. The BPO will minimize downtime on these units and keep them in the field to perform their intended function while providing a service to citizens. The expeditious repairs help to further extend the service life of the units, allowing for a longer useful life.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the Blanket Purchase Order (BPO) as requested.
2. Do not approve and direct staff to solicit formal bids and award a contract to a single vendor.
3. Do not approve and provide direction to staff.
4. At City Council's direction, pursue other options.

ATTACHMENTS:

1. Sole source letter (dated January 1, 2015) with discount structure

FUNDING SOURCE: Solid Waste Operating Fund (repairs are a budgeted line item)

APPROVALS: Hugh R. Walker, 02/07/2015

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 2-11-2015

APPROVED FOR SUBMITTAL: CITY ATTORNEY



January 1, 2015

To whom this may concern:

This letter is to confirm that Heil of Texas is the sole Heil OEM body, parts, warranty, certified Heil rebuilt parts, and full service dealer for the state of Texas. Heil of Texas, with facilities in San Antonio, Dallas, and Houston, has the sole protected distributorship for Heil parts and services in the State of Texas. There are no other authorized distributors for Heil parts and services in the State of Texas. In addition, authorized Distributors for Heil parts and services outside the State of Texas may not sell Heil OEM parts or provide repair services to customers located in the State of Texas. The City of Bryan receives a 25.6% discount on all Parts Purchased.

Heil of Texas San Antonio
503 Pop Gunn
San Antonio, TX 78219
210-224-5800

Heil of Texas Houston
5900 Wheeler Street
Houston, TX 77023
713-923-7600

Heil of Texas Dallas
1440 South Loop 12
Irving, TX 75060
972-438-6488

If you have any questions, please call me at 281-685-3750.

Sincerely,

Joe Howard
Heil Environmental
South Central Region Manager
281-685-3750