

**Meeting Date (?)** 02/23/2016

**Subject Matter\* (?)** Consider Approval of a Blanket Purchase Order for Heil of Texas  
This must match rolling agenda entry

**Department of Origin\*** FLEET SERVICES

**Submitted By\*** Bobby Walker

**Type of Meeting\***  BCD  Special  Regular

**Classification\***  Public Hearing  Consent  Statutory  Regular

**Ordinance\***  None  First Read  Second Read  First & Only Read

**Strategic Initiative\***  Public Safety  Service  
 Economic Development  Infrastructure  
 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 approval authorizing the Purchasing Department to issue a Blanket Purchase Order (BPO) to Heil of Texas, the sole source original equipment (OEM) Heil and Peterson 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 (1) source, including captive replacement parts or components for equipment. Therefore, these purchases are exempt from the formal bid process.

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 fourteen (14) years, beginning May 2001.

Historical expenditures for service parts purchased from Heil of Texas are as follows:

- 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 - 2/2015): \$58,709
- FY2015 (2/2015 - to date): \$56,249

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 (1) fiscal year is unlikely but does provide staff flexibility.

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 price less a 29.5 % discount.

**Staff Analysis & Recommendation \***

Fleet Services respectfully recommends approving a Blanket Purchase Order (BPO) for sole source purchases for Heil and Peterson service parts with Heil of Texas in a not to exceed amount of \$100,000.00. 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 another option.

**Funding Source \***

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

**Attachments**

Heil of Texas OEM Dealer 2016.pdf

27.77KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Heil of Texas - Sole Source Letter with Discount Structure.

Dept. Head Signature



Deputy City Manager Signature



City Manager Signature



City Attorney Signature

