

Meeting Date (?) 10/11/2016

Subject Matter* (?) Consider approving a Blanket Purchase Order for Bryan Freightliner
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 Economic Development Quality of Life Service Infrastructure

Agenda Item Description* Consider approving a Blanket Purchase Order (BPO) for Bryan Freightliner, the sole source original equipment Freightliner service parts provider in the Brazos Valley, in a not to exceed amount of \$100,000.00.

Summary Statement* Fleet Services respectfully requests City Council approval authorizing the Purchasing Department to issue a Blanket Purchase Order (BPO) to Bryan Freightliner, the sole source original equipment Freightliner service parts provider in the Brazos Valley. In addition to Freightliner Original Equipment service parts, Fleet also purchases general medium and heavy duty service parts from this supplier when it is deemed the best value for the City of Bryan.

Historical expenditures for service parts purchased from Bryan Freightliner are as follows:

- FY2011 (10/2010-9/2011): \$52,726
- FY2012 (10/2011-9/2012): \$63,645
- FY2013 (10/2012-9/2013): \$59,376
- FY2014 (10/2013-9/2014): \$71,852
- FY2015 (10/2014-9/2015): \$74,889
- FY2016 (10/2015-to date): \$53,856

The annual expenditures have trended upward over recent years. This increase is due to several factors including price increases and a growing number of Freightliner units in the Fleet as other older units are replaced.

As the City of Bryan is not contracted with this vendor, or any vendor, staff has the ability and flexibility to properly manage purchases and better assure the City attains the best value for each individual purchase required. The best value unit price is selected by vendor on a case-by-case basis to maximize savings. Based on this analysis and historical purchases, City staff anticipates spending approximately \$75,000; however, the request amount of \$100,000 provides flexibility should the City experience an atypical year in maintaining equipment. This proposed amount does not include additional service parts acquired from other local vendors that provide the best value for a given need. Such expenditures from other vendors are expected to be within the City Manager's spending authority.

In summary, City staff requests the City Council approve a Blanket Purchase Order (BPO) with Bryan Freightliner 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 and select the option with the best value to the City. As historical amounts demonstrate, spending \$100,000 for this BPO in one fiscal year is unlikely but does provide staff flexibility. A BPO does not encumber funds but allows staff to make purchases under the purchase order when needed. Individual departments and funds will be charged for the purchased parts.

Staff Analysis & Recommendation*

Fleet Services respectfully recommends approving a Blanket Purchase Order (BPO) in a not to exceed amount of \$100,000. As a reminder, purchases are made on an as needed basis and the exact expense amount should be closer to historical amounts.

Bryan Freightliner is a sole source original equipment Freightliner service parts provider in the Brazos Valley. In addition to Freightliner Original Equipment service parts, Fleet also purchases general medium and heavy duty service parts from this supplier when it is deemed the best value for the City of Bryan.

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. (Note: As requested with this Council Action Form, City Council's approval does not restrict purchases to a single vendor but multiple vendors are used throughout the year in an effort to obtain the best value for the City. Purchases from other vendors are expected to be within the City Manager's spending authority.)
3. Do not approve and provide direction to staff.
4. At City Council's direction, pursue another option.

Funding Source*

As budgeted in various department operating budgets (General Fund and Enterprise Funds)

Attachments

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

None

Dept. Head Signature

JAYSON E. PARFENROHT 09/25/16

**Deputy City Manager
Signature**

Hugh R. Walker

City Manager Signature

[Handwritten Signature]

City Attorney Signature

Tanis K. Hampton