



Legislation Details (With Text)

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Title: Resolution to Amend Two Purchase Orders with Bell Equipment Company for Electric Refuse Trucks (\$10,000.00)

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Attachments: 1. Peterbilt Surcharge Letter 0322.pdf, 2. R-21-193.pdf, 3. R-21-435.pdf

Date	Ver.	Action By	Action	Result
4/18/2022	1	City Council	Approved	Pass

Resolution to Amend Two Purchase Orders with Bell Equipment Company for Electric Refuse Trucks (\$10,000.00)

On June 7, 2021, City Council approved Resolution #21-193 approving the purchase of an electric rear load refuse truck from Bell Equipment Company in the amount of \$531,532.00. On December 6, 2021, City Council approved Resolution #21-435 approving the purchase of a second electric rear load refuse truck from Bell Equipment Company in the amount of \$601,205.00. The electric chassis for each of these purchases are built and supplied by Peterbilt who then provides them to Heil Corporation to have the refuse bodies installed. Bell Equipment Company is the local Heil dealer and coordinates delivery of the finished product.

Peterbilt recently notified Bell Equipment Company of a \$5,000.00 per vehicle price surcharge. The price surcharge is a result of many factors including inflation related parts and wage increases, raw material issues, labor shortages and freight cost increases (surcharge letter is attached in Legistar). While the City has seen these issues in other vehicles purchases, this is the first time that we have seen a price surcharge once an order has been placed. The City has requested, but not received, assurances that this is a one-time surcharge.

Staff is recommending that the City Council approve the surcharge for these two vehicles. The increase of \$10,000.00 is a small amount when compared to the combined purchase price of over \$1.1 million for these trucks. Cancelling the order negatively impacts solid waste operations, sustainability efforts and may impact the grants received towards the purchase of each truck.

The proposed surcharge would increase PO #21-0868 to an amended total of \$536,532.00 and PO #22-0515 to an amended total of \$606,205.00. The funds for both PO's would be available without regard to fiscal year.

Budget/Fiscal Impact: Funding for this surcharge is available in the FY22 Fleet Services Fund

Operations and Maintenance Budget.

Bell Equipment Company complies with the City's Conflict of Interest and Non-Discrimination ordinance requirements.

Prepared by: Matthew J. Kulhanek, Fleet & Facilities Unit Manager

Reviewed by: John Fournier, Assistant City Administrator

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, The City approved the purchase of an electric rear load refuse truck on June 7, 2021 and a second electric rear load refuse truck on December 6, 2021 from Bell Equipment Company;

Whereas, The electric chassis manufacturer has recently notified Bell Equipment Company of a \$5,000.00 per truck price surcharge resulting from inflationary impacts, raw material and labor shortages;

Whereas, Continuing with the purchase of these electric refuse trucks is consistent with the City's sustainability efforts;

Whereas, An additional amount of \$10,000.00 is needed to amend the purchase orders for these two vehicles;

Whereas, Bell Equipment Company complies with the City's Conflict of Interest and Non-Discrimination ordinance requirements; and

Whereas, Adequate funding for the amended purchase orders is available in the approved FY22 Fleet Services Fund Operations and Maintenance Budget;

RESOLVED, That the City Council approve amendments to purchase order #21-0868, increasing the amount by \$5,000.00 to an amended total of \$536,532.00, and purchase order #22-0515, increasing the amount by \$5,000.00 to an amended total of \$606,205.00, both with Bell Equipment Company;

RESOLVED, That funding for these amendments comes from the FY22 Fleet Services Fund Operations and Maintenance Budget;

RESOLVED, That funding for the amended purchase orders be available without regard to fiscal year; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.